Enterprise and Advanced Education

Annual Report
2012-2013

Alberta

For more information, contact:

Alberta Enterprise and Advanced Education
Communications

mail 5th Floor, Phipps-McKinnon Building
10020 101A Ave
Edmonton, Alberta T5J 3G2

Internet eae.alberta.ca/annualreports

phone 780-422-5400 (Edmonton)
toll free 310-0000 (other Alberta locations)
fax 780-422-1263

Deaf callers with TTY equipment
phone 780-427-9999 (Edmonton)
toll free 1-800-232-7215 (other Alberta locations)

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Enterprise and Advanced Education
Annual Report 2012-2013

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 18 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

On May 8, 2012, the Government announced new ministry structures. The 2012-13 Ministry annual reports and financial statements have been prepared based on the new Ministry structure.

The new Ministry of Enterprise and Advanced Education is comprised of:

- the former Ministry Advanced Education and Technology (responsible for the advanced learning system – including apprenticeships, student aid, and community learning - research and innovation, and technology commercialization),
- the former Enterprise (responsible for economic development), and
- the former components of the Ministry of Human Services responsible for workforce development, including immigration and labour market forecasting.

This annual report of the Ministry of Enterprise and Advanced Education contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry including the Department of Enterprise and Advanced Education, regulated funds, provincial agencies, and Crown-controlled corporations for which the Minister is responsible;**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.**

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2013 was prepared under my direction in accordance with the *Government Accountability Act* and the Government's accounting policies. All of the Government's policy decisions as at June 12, 2013 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

original signed by

Thomas A. Lukaszuk
Deputy Premier and Minister of Enterprise and Advanced Education

Message from the Minister

Education and entrepreneurship are cornerstones of our province's dynamic economy – an economy that Albertans continue to build through their knowledge, adaptability, and entrepreneurial spirit. During the past year, the Ministry played an important role in securing Alberta's economic future by working to optimize our human potential, broaden our economic base, and build a more innovative province.

We continued our work to ensure the advanced learning system is sustainable, in part, by ensuring post-secondary infrastructure is being well maintained. The government is investing in families and communities including the new roads, schools and health facilities our growing province needs.

The Ministry also made significant improvements to the Student Aid Alberta program so that more Albertans are now eligible to apply for financial support. We began by making changes to loan eligibility criteria and the interest-free period, increasing access for part-time students, and providing incentives for completion. The Ministry also continued to reward excellence and inspire student achievement by awarding nearly $74 million in scholarships – the highest amount of scholarship funding per capita in Canada.

We continued our efforts to become a global leader in research and innovation. For example, through the Campus Alberta Innovation Program we recruited 10 new research leaders to the province in these key areas: food and nutrition, neuroscience/prions, and water. We also continued to form new commercial and research partnerships with corporations and research organizations from around the globe, including Eli Lilly, Novartis Pharmaceuticals, and Tekes of Finland – a funding agency for technology and innovation.

We led the Results-Based Budgeting review of the Government's economic development programs to ensure increased relevancy, effectiveness, and efficiency. In this way, the Government is ensuring that we live within our means, by challenging every dollar spent and making sure every program continues to deliver real results for people. The Ministry is also building new markets for all our resources so that we get the fairest price and we protect the jobs and prosperity Albertans depend on.

To ensure Alberta has a skilled workforce to meet present and future demands, we created new tools for labour market analysis and helped to ensure immigration policy continues to support Alberta's growing economy. Specifically, the Ministry worked with industry partners to create the Oil Sands Information Labour Market Analysis Projection tool, or OILMAP, a projection model that helps government and industry identify oil sands labour imbalances and their policy implications. As host to Canada's Provincial/Territorial Secretariat for Immigration, the Ministry was instrumental in the federal adoption of a new immigration model. The Expression of Interest model will speed application processing, respond better to labour needs, and improve outcomes for skilled immigrants.

Alberta is the economic engine of Canada, and Enterprise and Advanced Education is playing a key role in driving Alberta's prosperity. In the coming year, the Ministry remains committed to working together with our stakeholders, partners, and agencies to build our province's economic and social success.

original signed by

Thomas A. Lukaszuk
Deputy Premier and Minister of Enterprise and Advanced Education

Management's Responsibility for Reporting

The Ministry of Enterprise and Advanced Education includes:

- the Department of Enterprise and Advanced Education,
- the Access to the Future Fund,
- the Alberta Enterprise Corporation,
- Alberta Innovates – Bio Solutions,
- Alberta Innovates – Energy and Environment Solutions,
- Alberta Innovates – Health Solutions,
- Alberta Innovates – Technology Futures, and
- Public Post-Secondary Institutions.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the Government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Enterprise and Advanced Education. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information agrees with underlying data and the sources used to prepare it.
- Understandability and Comparability – current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – performance measures and targets match those included in Budget 2012.

As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance and the Minister of Enterprise and Advanced Education information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the Government Accountability Act.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

original signed by

David Morhart
Deputy Minister of Enterprise and Advanced Education

June 12, 2013

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Results Analysis

Ministry Overview

Review Engagement Report

Discussion and Analysis of Results

Financial Highlights

Ministry Overview

Enterprise and Advanced Education provides strategic leadership in advanced learning, workforce development, research, innovation, commercialization, and economic development. The Ministry aims to broaden Alberta's economic base and optimize Alberta's human potential to create an innovative and competitive province.

Enterprise and Advanced Education leads the development of a resilient economy and a thriving society by:

- **Building a globally recognized, quality advanced learning system**. Enterprise and Advanced Education funds the advanced learning system and provides program quality assurance. The Ministry facilitates collaboration across the system, working with partners to meet the needs of learners, society, and the economy.
- **Fostering excellence in research, innovation, and commercialization**. Enterprise and Advanced Education works collaboratively with partners and stakeholders to coordinate, fund, and promote research and innovation in the key areas of bio-industry, energy and environment, health, and information and communications technology. The Ministry also supports emerging-technology companies, investment in value-added industries, and international collaborations that support innovation.
- **Creating a learner-centred, affordable and accessible advanced learning system**. Enterprise and Advanced Education ensures access to a full range of affordable and quality advanced learning opportunities for Albertans. The Ministry supports flexible learner pathways; provides student financial aid; rewards excellence through scholarships; and works with public post-secondary institutions, private providers, community adult learning organizations, and industry to support lifelong learning.
- **Ensuring that Alberta has a stronger and more competitive economy**. Enterprise and Advanced Education develops provincial and regional economic development policies, initiatives, and tools to make Alberta an attractive place to invest and do business. In partnership with key stakeholders, the Ministry strengthens the provincial economy by facilitating entrepreneurship and productivity growth, and by promoting value-added and supply chain development.
- **Developing a skilled labour force that contributes to economic prosperity**. Enterprise and Advanced Education provides leadership to develop a skilled and productive workforce that will meet the changing needs of Alberta's economy. The Ministry collaborates with industry and employers to plan for labour challenges and address short-term labour needs. The Ministry also works to increase labour force participation among underrepresented groups, attract work-ready immigrants to the province, and improve recognition of foreign qualifications.

The Ministry collaborates with learning providers, advisory boards, councils and authorities, and innovation support agencies to fulfill its mandate.

Entities included in Ministry Financial Statements

Ministry	Department of Enterprise and Advanced Education		
	Funds and Corporations		Access to the Future Fund
			Alberta Enterprise Corporation
			Alberta Innovates – Bio Solutions
			Alberta Innovates – Energy and Environment Solutions
			Alberta Innovates – Health Solutions
			Alberta Innovates – Technology Futures
	Public Post-Secondary Institutions	*Comprehensive Academic and Research Institutions*	University of Alberta
			University of Calgary
			University of Lethbridge
			Athabasca University
		Baccalaureate and Applied Studies Institutions	Grant MacEwan University
			Mount Royal University
		Polytechnical Institutions	Northern Alberta Institute of Technology
			Southern Alberta Institute of Technology
		Comprehensive Community Institutions	Bow Valley College
			Grande Prairie Regional College
			Keyano College
			Lakeland College
			Lethbridge College
			Medicine Hat College
			NorQuest College
			Northern Lakes College
			Olds College
			Portage College
			Red Deer College
		Specialized Arts and Culture Institutions	Alberta College of Art + Design
			The Banff Centre

For more information on the Ministry of Enterprise and Advanced Education, see **eae.alberta.ca**.
Websites for these entities are listed on page 100.

Advisory Boards, Councils and Authorities

Access Advisory Council
Alberta Apprenticeship and Industry Training Board
Alberta Council on Admissions and Transfer
Alberta Research and Innovation Authority
Campus Alberta Quality Council
Students Finance Board
Alberta Economic Development Authority
Northern Alberta Development Council

Websites for these entities are listed on page 100.

AUDITOR GENERAL *Alberta*

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as reviewed by the Office of the Auditor General in the Ministry of Enterprise and Advanced Education's Annual Report 2012-2013. The reviewed performance measures are the responsibility of the ministry and are prepared based on the following criteria:

- Reliability – The information used in applying performance measure methodologies agrees with underlying source data for the current and prior years' results.
- Understandability – The performance measure methodologies and results are presented clearly.
- Comparability – The methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – The goals, performance measures and related targets match those included in the ministry's budget 2012.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the ministry.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measures. Further, my review was not designed to assess the relevance and sufficiency of the reviewed performance measures in demonstrating ministry progress towards the related goals.

Based on my review, nothing has come to my attention that causes me to believe that the performance measures identified as reviewed by Office of the Auditor General in the ministry's annual report 2012-2013 are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability and completeness as described above.

original signed by

Merwan N. Saher, FCA
Auditor General

May 24, 2013
Edmonton, Alberta

Performance measures reviewed by the Office of the Auditor General are noted with an asterisk (*) on the Performance Measures Summary Table for Goals 1, 2 and 3.

Discussion and Analysis of Results

Goal 1 A globally recognized, quality advanced learning system meets the needs of Alberta

Performance Measures		Prior Years' Results				Current	*Target*	Endnotes
* **Satisfaction of recent post-secondary graduates with the overall quality of their educational experience** *indicates the system's ability to help students achieve desired outcomes.*		n/a[1]	91% 2010	n/a[1]	n/a[2]	92% 2012	90%+ ✓	A B
Satisfaction of recent apprenticeship graduates with: *indicates the quality of the apprenticeship training system and its ability to meet learner needs in terms of relevant content, excellent instruction, cutting-edge equipment, and current trade practices.*	**on-the-job training**	92% 2009	n/a[3]	91% 2011	n/a[3]	95% 2013	90%+ ✓	B C
	technical training	94% 2009	n/a[3]	93% 2011	n/a[3]	96% 2013	90%+ ✓	
International visa students registered at Alberta post-secondary institutions *indicates the province's success in attracting international students.*		9,804 2007-08	11,840 2008-09	12,614 2009-10	13,143 2010-11	14,832 2011-12	*12,950* Δ	D E

1 The Post-Secondary Graduate Outcomes Survey is conducted every other year.

2 The 2012 Post-Secondary Graduate Outcomes Survey was conducted on the usual biennial schedule, but that schedule could not accommodate the June 2012 publication of the 2011-12 Annual Report. New results became available in September 2012 for publication in the 2012-13 Annual Report.

3 The Survey of Apprenticeship Graduates is conducted every other year.

Target exceeded	Δ
Target met	✓
Target not met	✗

* ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General***

The performance measure indicated with an asterisk was selected for review by Ministry management based on the following criteria established by government: enduring measures that best represent the goal, measures for which new data is available, and measures that have well established methodology.

Alberta's advanced learning system is recognized as a pillar of our province's well being. A sustainable, interconnected, and responsive learning system is a key mechanism to optimize Alberta's human potential and drive the province's economic success. The Ministry supports and guides this system by funding its operations and infrastructure, facilitating system-wide alignment, supporting quality assurance, and connecting with advanced learning partners globally.

Providing Funding

To ensure quality advanced learning opportunities are available across Alberta, Enterprise and Advanced Education provided nearly $2.3 billion in operating funding for post-secondary institutions in 2012-13. Additionally, the Ministry provided $76 million in infrastructure funding to support the maintenance of post-secondary facilities. This funding ensures a solid foundation for Alberta's advanced learning providers.

Supporting Planning and System Evolution

Alberta's publicly funded post-secondary institutions and the Government of Alberta have worked together for many years to identify and pursue common goals in a changing environment. Alberta's advanced learning system has evolved significantly since the introduction of the Campus Alberta concept in 2001, and we continue to face new opportunities and challenges in serving Alberta's social and economic needs in the twenty-first century.

There are a number of mechanisms that support strategic planning in a fluid environment. These include the Campus Alberta Planning Resource and Comprehensive Institutional Plans, tools that help institutions align their efforts for greater system-wide benefit. The Campus Alberta Planning Resource offers institutions a common source for data on demographics, enrolment, and economic factors that affect post-secondary demand and capacity, while comprehensive institutional plans help to integrate institutional and system-wide priorities.

Beyond using these tools for better alignment, advanced learning partners took time to explore the next stage in evolution for Campus Alberta. The Ministry, post-secondary institutions and stakeholders met this year to discuss transformational change in advanced learning system outcomes, strategic initiatives, and support mechanisms. Enterprise and Advanced Education is working with institutions to develop letters of expectation articulating how we will reach for that change.

Responding to Alberta's Needs

The Ministry's efforts to coordinate planning and help the advanced learning system evolve reflect an environment that is complex. Stakeholder needs are diverse: while individuals pursue essential skills or advanced research, employers call for skilled workers, and the province seeks to broaden its economic base. In this context, coordination does not mean uniformity; the system must remain sensitive, providing appropriate support for a range of needs. Two of these concern trades and research capacity.

Trades

The number of apprentices registered in Alberta varies from year to year, reflecting changes in economic activity. Total registrations increased from approximately 57,000 in 2011 to over 61,000 in 2012, suggesting an increased industry demand for skilled tradespeople in that period. At the same time, it is anticipated that industry will encounter challenges in maintaining a sufficient and sustainable skilled trades workforce in Alberta over the long term. The Ministry continues to work with the Apprenticeship and Industry Training Board and industry partners to ensure Alberta has the skilled tradespeople it needs.

Research Capacity

In its second year of operation, the Campus Alberta Innovation Program continued to attract leading-edge faculty and personnel to new research chairs at Alberta's comprehensive academic and research institutions in priority areas. In 2012-13, ten recruitments were completed in the fields of energy and environment, food and nutrition, neuroscience/prions, and water research. The research done in these areas supports the diversification and competitiveness of Alberta's economy.

Ensuring Quality

The Ministry and its partners also have a key role in quality assurance in the advanced learning system, and there are many mechanisms designed to achieve this goal including legislation, the Campus Alberta Quality Council, and the Apprenticeship and Industry Training Board. The Ministry works to assess learner satisfaction with the quality of publicly funded post-secondary education by conducting two extensive surveys biennially: the Post-Secondary Graduate Outcomes Survey (GOS) (Endnote A), which captures responses from graduates two years after completing a post-secondary credential, including apprenticeship programs; and the Survey of Apprenticeship Graduates (SAG) (Endnote C), which captures responses specifically from recent apprenticeship graduates.

Results from the GOS have consistently shown a very high satisfaction of post-secondary graduates with the overall quality of their educational experience: 90% or more of respondents for the last four survey cycles have indicated they were satisfied or very satisfied. Similarly, results from the SAG for the same period show apprentice satisfaction with training at 91% or higher. These results suggest that post-secondary graduates are achieving their desired learning outcomes and that Alberta's advanced learning system continues to offer quality programming to Albertans.

Connecting Globally

This quality is likewise recognized by learners internationally. The number of international visa students registered at Alberta post-secondary institutions has continued to rise since 2004-05, reaching a high of 14,832 in 2011-12 (Endnote D). Factors that influence the number of international visa students learning in Alberta include the labour (and therefore educational) needs of foreign markets, programs that allow eligible students to work while they study, and government and institution outreach in international markets (particularly China, India, and Vietnam).

The Ministry's outreach efforts in 2012-13 included seven separate missions focused on raising international awareness of Alberta's advanced learning system and discussing education partnerships with foreign governments. These included missions to India, Vietnam, Mexico, and the United States.

Alberta-Languages Canada Agreement

One unprecedented achievement in 2012-13 was the signing of an agreement between the Government of Alberta and Languages Canada, a national association devoted to promoting quality, accredited English and French language training in Canada. Now, Alberta-based institutions who are association members may use the national Imagine Canada brand to promote language programs worldwide. This agreement is the first of its kind, and Languages Canada will be using it as a model to develop similar agreements with other provinces.

Enterprise and Advanced Education is committed to supporting and developing an advanced learning system that is increasingly coordinated, responsive, globally connected, and respected for its quality. The Ministry's work in 2012-13 is in line with that commitment: coordinating planning and supporting system evolution; responding to Alberta's labour and innovation needs; and forming international relationships for the benefit of Alberta's post-secondary institutions and students.

Goal 2 Excellence in research, innovation and commercialization drives Alberta's future success

Performance Measures	Prior Years' Results				Current	Target	Endnotes
* **Total sponsored research revenue attracted by Alberta universities ($M)** *indicates the research capability, capacity and competitiveness of Alberta's universities (comprehensive academic and research institutions), and helps the Ministry understand the province's progress in research and innovation.*	760.9 2007-08	791.2 2008-09	818.5 2009-10	850.4 2010-11	759.6 2011-12	*840* ✗	F
Percentage of graduate students studying in priority areas *is an indicator of Alberta's research and innovation capacity in areas of focus.*	33% 2007-08	33% 2008-09	34% 2009-10	34% 2010-11	33% 2011-12	*34%* ✗	G E
Percentage of Canadian venture capital invested in Alberta *helps indicate the capacity and capability available to support innovation and knowledge industry growth.*	5.3% 2008	7.0% 2009	6.7% 2010	3.8% 2011	1.6% 2012	*6.0%* ✗	H

* ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General***

The performance measure indicated with an asterisk was selected for review by Ministry management based on the following criteria established by government: enduring measures that best represent the goal, measures for which new data is available, and measures that have well established methodology.

Target exceeded △
Target met ✓
Target not met ✗

Alberta can no longer be thought of only as oil country or cattle country. While these industries remain a strong foundation for our provincial economy, Alberta has begun to leverage those strengths to diversify and develop capacity in research, innovation, and technology. Enterprise and Advanced Education brings together leadership in pure and applied research, entrepreneurship, and technology innovation to support and guide these aspects of the province's economic evolution.

Aligning the System

Alberta Innovates Connector Service

One key coordinating mechanism for Alberta's research and innovation system is the Alberta Innovates Connector Service. The Connector is a personalized service that connects clients to essential resources and organizations that can help them advance their research, commercialize their product, or build their business. In 2012-13, nearly 800 clients reached out through the Connector, bringing the total number of client inquiries to almost 2,700 since the service's inception in January 2010. Alberta's innovators and entrepreneurs are making good use of this hub to help their projects thrive.

Building on Strengths

As Enterprise and Advanced Education works to invigorate the innovation climate for new research, technology, and products, innovation in Alberta's traditional economic engine continues to thrive. This year, on the strength of a Memorandum of Understanding with Natural Resources Canada signed in February 2012, Enterprise and Advanced Education initiated the Alberta-Canada Collaboratory in Cleaner Oil Sands Development. Building on a long history of collaboration in oil sands research and development, this partnership will focus on facing the challenges involved in responsible and sustainable oil sands development. It will bring together and draw upon the best expertise within the innovation system, help maintain the world-renowned status of Alberta's and Canada's energy research and innovation capacity, and enhance the ability for industry to achieve desired outcomes.

Developing Innovation Capacity

Research Capacity Program

A healthy research and innovation ecosystem needs the right support to grow. Through the Research Capacity Program, Enterprise and Advanced Education provides funding for the equipment and infrastructure at post-secondary institutions that researchers need to advance their work. In 2012-13, this competition-based grant program approved $27.3 million for 44 equipment proposals and $2.9 million for four College Industry Innovation proposals. These awards successfully leveraged federal Canadian Foundation for Innovation funding and other sources including industry, non-profit, other government funding, and institutional contributions. Through coordinated planning, prioritized research investments, and the sustainable and effective use of resources, the Research Capacity Program supports research and technology excellence, builds capacity for innovation, supports the attraction and retention of researchers, and promotes initiatives of strategic benefit to Alberta.

Sponsored Research Revenue

One measure of the province's post-secondary research capacity and excellence is the sponsored research revenue attracted by Alberta's Comprehensive Academic and Research Institutions (CARIs) (Endnote F). Success in acquiring and increasing sponsored research revenue is accomplished through highly competitive, excellence-driven research activities. Sponsored research attracted by the province's CARIs has risen 37% over the last eight years from nearly $623 million in 2003-04 to just over $850 million in 2010-11, suggesting an overall improvement in research capability, capacity, and competitiveness of these institutions. However, in 2011-12, the result for this measure fell to just under $760 million, missing the Ministry's target of $840 million. The primary reasons for this decrease are the successful completion of capital infrastructure initiatives, the variability of industry funding, and the competitive cycles of federal programs.

Graduate Students in Priority Areas

As institutions draw research funding, the better they are able to attract and retain world-class researchers. These researchers in turn, attract top graduate students, further strengthening the workforce supporting Alberta's innovation capacity. The percentage of Alberta's graduate students studying in priority areas (Endnote G) remained stable this year at 33%. For the purposes of this measure, priority areas are fields identified by the Government of Alberta as offering the province a competitive edge in innovation and commercialization: energy, life sciences, nano-technology, and information and communications technology. Although missing the Ministry's target of 34%, this result is in line with the measure's very flat trend which has fluctuated between 33% and 34% for the last eight years. This stable distribution suggests that a consistent proportion of students remain positive about the opportunities these fields offer for employment, entrepreneurship, or further research.

Venture Capital Investment

Another means of gauging the innovation climate is the amount of venture capital funding available to support early-stage, high-potential, high-risk companies. Alberta's relative share of Canadian venture capital investment is one way to portray the state of that climate (Endnote H). In 2012, early-stage investment in Alberta saw a significant decline to 1.6% of the Canadian total. In actual dollars, early-stage investment dropped approximately $32 million to a record low of over $17 million. This result can primarily be explained by a significant decrease in the number of venture capital investments made in the life sciences and energy and environment technology sectors. From the Canadian perspective, overall early-stage investment declined by $109 million, but the major markets – Ontario, Quebec, and British Columbia – retained the lion's share of the total.

Collaborating with International Partners

Alberta's research and commercialization capacity is successfully attracting partners in innovation. This year saw the development of significant new relationships with corporate and research organizations around the globe.

Eli Lilly

In 2012-13, the Ministry together with Alberta Innovates – Health Solutions formed a partnership with Eli Lilly and Company to launch the Alberta/Lilly Translational Research Fund supporting health research at Alberta's publicly funded post-secondary institutions. This collaboration links Alberta's innovation engine to Lilly's commercial expertise, and is the first stage in a long-term relationship focused on innovative health solutions.

Novartis

Enterprise and Advanced Education signed a Memorandum of Understanding (MOU) with Novartis Pharmaceuticals Canada that formalized collaboration to advance innovative health research. This MOU establishes a long-term relationship to develop, fund, manage, and commercialize innovations in health that support the interests and needs of Novartis and Albertans.

Europe

Enterprise and Advanced Education also signed a Memorandum of Understanding with Tekes of Finland (a funding agency for technology and innovation) for a technology partnering program to facilitate research and development collaborations between private and public sector entities in both countries. As a result, the Alberta-Finland Collaboration Program for Product Development and Commercialization was launched in October 2012.

The Ministry also launched the Alberta-Germany Partnership Program in collaboration with the Canadian Center for Innovation and Research to develop collaborative projects between companies in Alberta and Germany. In February 2013, three projects were approved for funding.

Mexico

These European agreements follow a partnering program with Jalisco, Mexico established in 2011-12. This year, five projects were approved for funding under the Alberta-Jalisco Research, Development and Commercialization Program, bringing the total of approved projects to 13 since the program's inception.

Programs such as these with Finland, Germany, and Mexico enable Alberta's small- to medium-sized technology companies to co-develop and commercialize technologies in an international context, facilitating market access.

They are the result, in part, of the Ministry's outreach efforts in foreign jurisdictions. This year, the Ministry sent missions to Brazil, India, Finland, Germany, China, Mexico, and the United States, and facilitated meetings for incoming delegations from Korea, China, India, Germany, Israel, Finland, Mexico, and the United States.

Alberta is emerging as a global citizen in the information age. As a leader, facilitator, and collaborator, Enterprise and Advanced Education is helping to propel that shift: aligning systems, leveraging strengths, fostering capacity, and connecting partners to create new opportunities for innovation and commercialization.

Goal 3 A learner-centered, affordable advanced learning system accessible to Albertans

	Performance Measures	Prior Years' Results				Current	*Target*	Endnotes
*	**Proportion of Albertans aged 18-34 participating in post-secondary education** *helps indicate Alberta's social and economic well-being since post-secondary participation correlates to employment and earning power.*	16% 2008	17% 2009	18% 2010	17% 2011	17% 2012	*18%* ✗	I
✓	**Proportion of Albertans aged 25-64 who have completed post-secondary education** *indicates Alberta's provision of a highly skilled workforce and speaks to the province's social and economic well-being.*	60% 2008	61% 2009	62% 2010	61% 2011	62% 2012	*62%* ✓	J
	Proportion of recent graduates who agree that the program they graduated from was worth the financial cost *indicates the ability of the advanced learning system to help students achieve desired outcomes. Additionally, the measure offers insight into graduates' perceptions of quality and cost at Alberta's post-secondary institutions.*	n/a[1]	86% 2010	n/a[1]	n/a[2]	86% 2012	*87%* ✗	A B

1 The Post-Secondary Graduate Outcomes Survey is conducted every other year.

2 The 2012 Post-Secondary Graduate Outcomes Survey was conducted on the usual biennial schedule, but that schedule could not accommodate the June 2012 publication of the 2011-12 Annual Report. New results became available in September 2012 for publication in the 2012-13 Annual Report.

Target exceeded	△
Target met	✓
Target not met	✗

* ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General***

The performance measure indicated with an asterisk was selected for review by Ministry management based on the following criteria established by government: enduring measures that best represent the goal, measures for which new data is available, and measures that have well established methodology.

✓ ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General as part of Measuring Up***

Alberta's people are ultimately the drivers of our province's success. Supporting and encouraging Albertans to reach their full potential is a primary role of our advanced learning system, and this outcome requires that the system be accessible, affordable, and learner-centred. To this end, Enterprise and Advanced Education has made concerted efforts in 2012-13 to raise the participation of historically underrepresented learners, to enhance the flexibility of learner pathways into and throughout the post-secondary learning system, and to improve student funding options.

Ensuring Access to Learning

Participation, Completion, Satisfaction

Access to learning opportunities can be understood through a variety of lenses; participation in post-secondary education is one. Alberta's participation rate has historically been slightly lower than the Canadian average, due in large part to our strong labour market—drawing people into employment—and the in-migration of people who already possess a post-secondary credential—decreasing the proportion of Albertans seeking post-secondary education (Endnote I). In contrast to the participation rate, the percentage of Albertans age 25-64 who have completed post-secondary education (the attainment rate) has historically been comparable to the Canadian average (Endnote J).

It is valuable to note that the number of Albertans enrolled at publicly funded post-secondary institutions has steadily increased over the past decade (2001-11), with an average annual increase of 2.5%. In 2011-12, approximately 40,000 unique learners completed a diploma, certificate, or degree program at a publicly funded institution in Alberta, an increase of 5% from the previous year. These figures suggest that Albertans have access to the learning opportunities they want.

It is also worth noting that public satisfaction with access to educational opportunities has been high and increasing over the last eight years, peaking in 2012-13 at 82% (an increase of five percentage points over the previous year's result) (Endnote K).

Underrepresented Learners

The Government of Alberta and the Ministry have identified increasing the participation of underrepresented learners as a priority for the province. As important foundational steps toward this goal, Enterprise and Advanced Education established a cross-ministry leadership team to guide government activities directed at this outcome. Activities have included a direction to increase participation of these groups in letters of expectation to post-secondary institutions and an inventory of current Government of Alberta programs supporting underrepresented groups that will inform further policy and action.

Aboriginal Learners

Aboriginal Albertans are one group that is underrepresented in post-secondary learning. In 2012-13, Enterprise and Advanced Education provided $1.9 million to five Aboriginal colleges for 11 projects that enhance access, increase retention, and improve learning outcomes for Aboriginal students. Notably, the number of Aboriginal learners in post-secondary studies has had an overall upward trend over the last eight years, and in 2011-12 reached an all-time high of approximately 10,000.

In partnership with industry and the Alberta Apprenticeship and Industry Training Board, Enterprise and Advanced Education awarded Aboriginal apprentices 15 scholarships in a variety of trades, and formally recognized an employer who demonstrated a commitment to recruiting and training Aboriginal apprentices. It is worth observing that the number of Aboriginal apprentices in Alberta has continued to rise since 2006. In 2012, there were just over 2,900 Aboriginal apprentices active in their trade, up from approximately 2,500 in 2011.

In 2012-13, Enterprise and Advanced Education worked with Aboriginal communities developing resources and delivering workshops to enhance career and education planning for First Nations, Métis, and Inuit learners. The Ministry also worked with Aboriginal communities to fund approaches to adult and family literacy programming, producing a model that will be shared province-wide.

Community Learning

To further support the engagement of underrepresented groups in apprenticeship and trade-related learning opportunities, Enterprise and Advanced Education provided funding to not-for-profit organizations, including Women Building Futures and CAREERS: The Next Generation. The Ministry also continued to support the Community Adult Learning Program, which provides low-cost access to non-formal adult education opportunities with a focus on opening learning pathways to underrepresented populations.

Education Awareness and Planning

To make the best educational choices for themselves, Albertans need the right information about the learning opportunities and career pathways available to them. Through the Learning Clicks ambassador program, the Ministry has worked to inform Albertans about post-secondary opportunities. In 2012-13, approximately 1,000 presentations were delivered to more than 21,000 students, education influencers, parents, and potential mature learners. Of student attendees surveyed, 90% agreed that the program influenced them to pursue further education and training. In the 2012-13 High School Student Survey, 73% of respondents felt that Learning Clicks influenced their decision to pursue further education or training, a 10% increase over the previous year (Endnote L).

Focusing on the Learner

A key feature of a learner-centred advanced learning system is flexibility in study pathways so that learners can move easily from high school to post-secondary education; between certificate, diploma and degree programs; and between institutions. Letters of expectation currently in development ask institutions to focus resources on developing seamless learner pathways. Mechanisms that allow this kind of movement include collaborative degrees and brokered programs, transfer agreements between institutions, dual credit programming, and online learning options.

Collaborative Degree and Brokered Programs

This year, Enterprise and Advanced Education finalized and shared with advanced learning providers guidelines for collaborative delivery of undergraduate degrees and guidelines for brokered programs. A collaborative degree program allows learners to receive programming from a university or college at a local Comprehensive Community Institution. A brokered program allows a local institution to temporarily host delivery of a program that would not normally be available in that region. These guidelines were developed in consultation with the Campus Alberta Quality Council and Comprehensive Community Institutions to ensure consistency in program delivery and clarity about roles and responsibilities.

Transfer System

Alberta's model for transfer between post-secondary institutions demonstrates significant flexibility in the advanced learning system. In 2011 (the most recent data available), almost 12,500 students moved between Alberta Transfer System member institutions, the highest number ever in Alberta, following a steady upward trend over the last six years. These moves by learners are multi-directional, are not geographically isolated, and occur between and within all six sectors of the system. As well, of transfer graduates who were surveyed in the 2012 Graduate Outcomes Survey, 90% were satisfied or very satisfied with the transfer credit they received (Endnote A). The number of transfers and the level of satisfaction with transfer credit suggest that there has been real success in providing flexible learner pathways for Albertans.

Dual Credit Strategy

Enterprise and Advanced Education finalized a provincial dual credit strategy (announced in May 2013) in collaboration with the Ministries of Education and Human Services to increase high school learner completion rates and transition into the post-secondary learning system. Such programming allows high school students to receive both high school and post-secondary credits for a particular course. This unique opportunity encourages students to personalize their high school experience while exploring post-secondary and career options.

Open Education Resources

With Campus Alberta and Canadian partners, the Ministry has begun exploring the potential offered by Open Education Resources to provide more accessible, flexible, and cost-effective learning opportunities for Albertans. Open educational resources are teaching or learning materials that may be used, re-used, re-distributed, and sometimes adapted without paying copyright royalties or licence fees.

Ensuring Learning Is Affordable

Enterprise and Advanced Education continues to work to ensure that Albertans with varying financial means have access to post-secondary education, that procedures to access funding are as straightforward as possible, and that excellence is rewarded.

Student Aid Alberta

In 2012-13, the Ministry began implementing enhancements to Student Aid Alberta to better respond to learner needs and support diverse learning pathways. Parental contributions, RRSPs, savings, and part-time earnings have been eliminated from loan eligibility criteria and replaced with a flat-rate contribution of $1,500. Interest charges have been eliminated during the six-month grace period before repayment and for students who drop to part-time studies. Access has been enhanced to the Alberta Part Time Grant, and an Alberta Completion Incentive Grant has been introduced for full-time student aid recipients in the last semester of their programs. These changes mean that more Albertans are now eligible to apply for financial learning supports.

Beyond these improvements to the program itself, student aid recipients now receive higher quality and more streamlined delivery of services and supports through a renewed website and a new service centre. The service centre is providing the quick response times and longer hours of service needed to support an increasing number of student aid recipients. The total number of students receiving financial support through Student Aid Alberta has gradually but steadily increased over the last five years from almost 38,000 in 2008-09 to over 58,000 in 2012-13.

Learner Funding Alignment

Another process improvement that made progress in 2012-13 is the Learner Funding Alignment strategy, ensuring that post-secondary students receive equitable access to appropriate funding supports; and that gaps, duplications, and overlaps are reduced. Over the past five years, Enterprise and Advanced Education and the Ministry of Human Services have worked together on this project to better align policy, services, and resources to improve learner funding programs delivered by both ministries. This collaboration aims to transfer funding responsibility for one-year occupational training programs from Human Services to Enterprise and Advanced Education in 2014-15.

Rewarding Excellence

Enterprise and Advanced Education also provides financial support to learners by rewarding excellence and encouraging completion. In 2012-13, nearly $74 million in scholarships (the highest amount of scholarship funding per capita in Canada) was awarded to 38,500 Alberta students, including $1,000 awarded to each of 312 students in the Registered Apprenticeship Program and Career and Technology Studies apprenticeship pathways.

Value for Money

Enterprise and Advanced Education funds approximately 63% of the cost of post-secondary education in Alberta. About 10% is supplied by the institutions through a variety of sources and approximately 27% of the total cost is borne by students through tuition and fees. It is notable that the proportion of recent graduates who agree the program they graduated from was worth the financial cost has remained extremely high, ranging from 83% in survey year 2006 to 86% in survey years 2010 and 2012 (Endnote A).

These initiatives to reach underrepresented learners, to enable flexible learner pathways, and to remove financial and administrative barriers to advanced learning demonstrate the Ministry's commitment to lifelong learning for Albertans. As citizens have opportunities to fulfill their potential through advanced learning, they become the engine for Alberta's social and economic evolution.

Goal 4 Alberta has a stronger and more competitive economy

Performance Measures	Prior Years' Results				Current	*Target*[1]	Endnotes
Manufacturing and Business Service Industry Gross Domestic Product (GDP) *helps indicate economic growth and diversification.*	(2007 dollars)	(2007 dollars)	(2007 dollars)	(2007 dollars)	(2007 dollars)	(2002 dollars)	M
Value of Real GDP of Manufacturing and Services[1]	$69.2B	$65.3B	$66.9B	$70.8B	$73.8B	*$57.7B*	
Percentage Change from Previous Year	**+1.0%**	**-5.8%**	**+2.6%**	**+5.7%**	**+4.3%**	**+3.0%**	
Manufacturing GDP	$18.2B	$15.4B	$16.6B	$18.4B	$19.4B	*$14.8B*	
Business Services GDP	$51.1B	$49.8B	$50.4B	$52.4B	$54.4B	*$42.9B*	
	2008	2009	2010	2011	2012	△	

1 Historical and current results are expressed in 2007 constant dollars based on new GDP estimates from Statistics Canada. While the target's dollar values (published in 2002 constant dollars) are not comparable to the result, the percent change is still comparable. For more information on this change, see Endnote M.

Target exceeded △
Target met ✓
Target not met ✗

Alberta's economy is complex, including many players who together make the province strong. Enterprise and Advanced Education works to coordinate the efforts of those players, driving diversification, increasing value-added activity, and improving market access through initiatives such as the Oil Market Diversification Strategy. The Ministry's activities in 2012-13 to improve competitiveness, foster regional economies, and attract investment all aim to ensure we are making progress together towards a more competitive Alberta.

Catalyzing Economic Development

Results-Based Budgeting

To ensure the Government's approach to economic development is relevant, effective, and efficient, the Ministry led cycle one of the Results-Based Budgeting review of economic development programs across the Government of Alberta. As a leader in shaping Alberta's economic future, this attention to internal assessment is important: we must examine our own practices if we are to provide sound guidance for the province, support our partners, and add value.

Real-Time IMAP

In 2012-13, the Ministry added significant value to an existing database that informs economic development activities: the Inventory of Major Alberta Projects (IMAP). IMAP helps firms identify potential supply opportunities and informs Albertans about the status of projects valued at $5 million or greater. Real-time data is now available for users to explore and customize through an interactive online map, along with live updates via Twitter. The first step to better collaboration is better information sharing, and Enterprise and Advanced Education is leading the way.

Capital Planning

Besides these efforts in evaluation and information-sharing for economic development, the Ministry also worked to ensure that the government's capital plan supports economic growth across the province.

Taking a holistic view of Alberta's economic development activities provides a productive way forward for the province, enabling the Ministry to coordinate with our many partners. We can acknowledge and leverage interdependencies by attending to the flow of goods and information, by improving accountability, and by planning together.

Working from Strength

Alberta has led the provinces in economic growth over the past 20 years, with an average annual GDP growth of 3.6%. The provincial economy grew by 3.9% in 2012, more than double the national increase of 1.8%. A more narrow gauge of economic strength is the percentage change of GDP in the priority sectors on which the Ministry focuses (Endnote M). Alberta's manufacturing and business services industry GDP grew by 4.3% in 2012 as a result of robust investment in the oil sands sector, a rebound in the housing sector, and the improving economy in the United States.

Improving Competitiveness

To ensure sustained prosperity into the future, we must find ways for Alberta to remain competitive and attractive as a place to do business. Enterprise and Advanced Education focused on several key initiatives directed at improving our province's prosperity.

Regulatory Benchmarking Report

In January 2013, a report examining ten aspects of Alberta's business regulation was released: the *Province of Alberta Business Regulatory Benchmarking Report*. The regulatory areas chosen for study are those most commonly encountered by a wide range of companies in Alberta and other provinces. The study provided a comprehensive assessment of the competitiveness of the regulatory environment in Alberta versus other jurisdictions, indicating areas of strength and areas for improvement.

Small Business

Supporting entrepreneurship is a critical part of maintaining and growing the economy, and Alberta is committed to providing relevant information for business leaders, policy makers, and entrepreneurs to ensure Alberta's small business community continues to thrive. This year, the Ministry released the latest edition of the *Alberta Small Business Profile: Small Business, Big Impact*. The report highlights the important role small business and entrepreneurship plays across the province, and how this role has evolved over the past five years.

Fostering Regional Economies

This year, the Ministry continued to foster strong and collaborative regional economies. Enterprise and Advanced Education funds and collaborates with Alberta's Regional Economic Development Alliances, which coordinate economic development activity in their regions, improving local capacity to undertake projects collectively; the Northern Alberta Development Council, which develops programs and services to facilitate economic growth in northern communities; and The Business Link and Rural Alberta Business Centres, which provide the information, support, and advice Alberta's entrepreneurs need to succeed.

Enterprise and Advanced Education helped communities prepare for investment by delivering two projects: Community Investment Readiness and Investment Readiness Toolkit. The Community Investment Readiness project saw 27 communities identify gaps and develop action plans for improved investment. As part of the Investment Readiness Toolkit project, 10 communities had the opportunity to test their skill delivering a familiarization tour. Such a tour occurs during the site selection visit usually preceding an investment in a community. The toolkit and tours will help these communities improve their handling of investor calls in the future.

Supporting and Attracting Investment

As the province's economic development activities become more aligned, collaborative, and productive, Alberta industry offers more rewarding investment opportunities. Enterprise and Advanced Education has been working to provide support for investment decision making and to promote Alberta globally as an investment destination.

Guides

In 2012-13, the Ministry worked with partners to provide information supporting investment in Alberta's energy industry. Two guidebooks were produced for hydrocarbon and unconventional resource developers: *Going for Green – Environmental Innovations Guidebook and Directory*, and *Unconventional Resource Guidebook and Directory*. The Ministry also co-funded with Industry Canada the Conference Board of Canada report, *Fuel for Thought: The Economic Benefits of Oil Sands Investment for Canada's Regions*.

Outreach

In 2012-13, the Ministry partnered with other Government of Alberta ministries, the federal government, and industry to deliver investment attraction and industry promotion initiatives in Mexico, Poland, Ukraine, Scotland, Japan, and the United States. As well, the Ministry promoted investment opportunities in Alberta's resource processing and value-added industries at missions and conferences in Canada, Europe, the Middle East, and the United States. This resulted in several firms visiting Alberta to investigate the opportunities themselves.

The work of Enterprise and Advanced Education in 2012-13, along with that of our partners, has helped position Alberta for a shift in how we approach economic development. We are moving toward a more collaborative, integrated model based on accelerated data capture and information sharing, respect for Alberta's economic and regional diversity, and innovation as a driver in every sector. As we understand that our individual strengths are underpinned by our interdependence, we are better able to reach out as a province to the global community, and to thrive in a global economy.

Goal 5 Alberta has a skilled labour force that contributes to economic prosperity

Performance Measures	Prior Years' Results				Current	*Target*	Endnotes
✓ **Inter-provincial rank of Alberta's labour force participation rate** (#1 highest) *helps indicate Alberta's effectiveness in addressing labour force needs relative to that of other provinces.*	#1 74.7% 2008	#1 74.3% 2009	#1 72.9% 2010	#1 73.7 2011	#1 73.4% 2012	*#1* ✓	N
✦ **Inter-provincial rank of Alberta's First Nations, Métis and Inuit off-reserve labour force participation** (#1 highest) *helps indicate Alberta's effectiveness in supporting labour force participation of these historically underrepresented populations relative to that of other provinces.*	#1 71.5% 2008	#3 [1] 69.9% 2009	#1 70.6% 2010	#1 67.7 2011	#2 69.9% 2012	*#1* ✗	O

1 Alberta's ranking in 2009 changed from 3rd place to a tie with New Brunswick for 2nd place when results were revised by Statistics Canada. To remain consistent with Government of Alberta reporting of this historical result, we are reporting the original ranking with the revised percentage: 3rd place and 69.9%. For more information, see Endnote O.

Target exceeded	Δ
Target met	✓
Target not met	✗

✓ ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General as part of Measuring Up***

✦ ***Indicates Performance Measures that have been reviewed by the Office of the Auditor General as part of the Ministry of Human Services' audit plan***

Alberta's economic success depends substantially on the strength and skill of our labour force. Enterprise and Advanced Education is working to support and develop this labour force through programs and initiatives that are responsive to Alberta's labour needs. These include attraction and retention efforts, recognizing other Canadian and foreign qualifications, supporting underrepresented groups, and developing timely and relevant labour market information.

Planning for Tomorrow's Workforce

Building and Educating Tomorrow's Workforce

As part of the Building and Educating Tomorrow's Workforce—the Government's comprehensive labour strategy—Enterprise and Advanced Education continued to work with partners and stakeholders to develop the workforce and workplaces driving Alberta's economic future. The strategy aims to increase the supply of appropriately skilled workers in the province; ensure the province produces and attracts highly skilled, educated and innovative people; and encourage the development of high performance work environments that make the best use of innovation and technology. One example of the strategy in action is the government-supported Immigrant Access Fund, a non-profit society founded in 2005 offering micro loans to help immigrants obtain professional registration, upgrading, or training allowing them to work in their field of expertise.

Labour Force Participation

While the Ministry is striving to increase labour force participation among underrepresented groups, Alberta's labour force participation rate still remains the highest among Canadian provinces since 2007. Alberta's rate was 73.4% in 2012, while the national rate was 66.7% (Endnote N).

Alberta's Aboriginal labour force participation rate has ranked first among Canadian provinces in four out of the last six years, fluctuating between a high of 72.3 % and a low of 67.7%. In 2012, while missing the target of highest ranking in Canada, Alberta's result – 69.9% – was still well above the Canadian average of 65.2% (Endnote O). The province that ranked highest in 2012 was Prince Edward Island (PEI), increasing from 54.5% in 2011 to 80.5% in 2012. Since the workforce in PEI is small, even a minor change in the real number of Aboriginal labour force participants produces a large change in the participation rate. The dramatic increase in the 2012 rate represents an increase of 300 participants while Alberta's increase in the same period represents an additional 4,800 participants.

Providing Labour Market Information and Analysis

Alberta's labour force participation rate is only one aspect of the province's complex and changing labour market. Understanding and anticipating shifts in the province's labour needs is critical to economic success. The Government of Alberta has some of the best provincial labour market information and analysis in Canada, now housed in Enterprise and Advanced Education as part of the Ministry's integrated approach to economic development.

This year, the Ministry continued to provide timely labour market information and analysis related to the performance of Alberta's labour market, underrepresented groups, industry, and occupational forecasting. Products include the *Short Term Employment Forecast*, which provides a three-year overview of occupations expected to be in demand during that period; and the *Alberta Annual Labour Market Review*, which reports on the 2012 labour market performance of Alberta, comparing it to previous years and other provinces.

OILMAP

In 2012-13, Enterprise and Advanced Education worked closely with the oil sands industry to create the Oil Sands Information Labour Market Analysis Projection (OILMAP) tool, which will be used to project workforce supply and demand for Alberta's oil sands industry. This projection model helps government and industry identify labour imbalances and their policy implications by correlating a project's size with the number and timing of skilled trades needed. Currently, more than 200 energy-related projects are being tracked using OILMAP.

OILMAP constitutes the most comprehensive list of its kind ever developed in Alberta, and exemplifies the benefits of partnership with industry: accurate, responsive analysis that directly benefits both industry and government decision makers. When fully developed, OILMAP will provide insight into the mix of skilled trades needed to support oil sands development, including both demand- and supply-side analysis that can show the potential effects of education and immigration policy on labour.

Attracting Labour

This year, significant progress was made supporting Alberta employers in their domestic and international recruitment, and connecting job seekers with opportunities in Alberta.

Attraction Events

In 2012-13, the Ministry engaged partners in joint labour attraction initiatives to respond to acute labour challenges. Initiatives included a virtual job fair hosted in partnership with the Petroleum Human Resource Council of Canada and a Working Abroad Job Fair in Ireland hosted in partnership with Calgary Economic Development. The latter event alone produced over 200 successful recruitments by Alberta companies.

Alberta Newcomer Information Subscription Service

Through the Alberta Newcomer Information subscription service, Enterprise and Advanced Education continued to build a database of job seekers in primary target markets with the skills Alberta needs. This service effectively attracts skilled workers—the number of subscribers more than doubled from 2011 to 2012, passing 26,000—and gives the province a competitive advantage in matching available skills with labour demand.

AlbertaCanada.com Redesign

Similarly, attention to AlbertaCanada.com doubled in 2012-13 when the Ministry re-designed the site in a responsive mode: this means that web content can be easily and consistently used on any device regardless of screen size. Site visits increased to over one million this year, boosted by an extraordinary increase in mobile traffic, which rose by 3,500% immediately upon site deployment, and by 6,800% eight months after deployment.

Supporting Strategic Immigration and Retention

When workers are not available from Alberta or within Canada, attracting immigrants with the skills and talents Alberta needs is an important part of addressing labour pressures. Alberta values immigrants and the new perspectives they bring. Trends show annual immigration to Alberta is steadily increasing, and this has helped make Alberta a richer, more dynamic, and more multi-faceted province.

Secretariat for Immigration and Expression of Interest Model

From 2012 to 2014, Enterprise and Advanced Education is hosting the Provincial/Territorial Secretariat for Immigration. The secretariat works to build a stronger provincial/territorial voice regarding immigration issues in Canada. In November 2012, the Minister of Enterprise and Advanced Education co-chaired the Federal/Provincial/Territorial Forum of Ministers Responsible for Immigration, which was the first of its kind in over two years, and the first to be co-chaired by a provincial minister. This meeting was instrumental in the federal adoption of an Expression of Interest model for accepting and processing immigration applications to Canada. This model will improve processing times, make the immigration system more responsive to labour market needs, and increase the likelihood of skilled immigrants' success.

Alberta Immigrant Nominee Program

Enterprise and Advanced Education also leverages the Alberta Immigrant Nominee Program (AINP) to attract work-ready migrants to the province. Individuals nominated by the Government of Alberta can apply to the federal government for a permanent resident visa as a Provincial Nominee. In 2012, Enterprise and Advanced Education processed just over 8,000 AINP applications, issuing just over 4,000 nomination certificates, representing a total of approximately 9,600 individuals (principal applicants and family members). The Ministry continued to raise awareness of the program with Alberta employers and immigrants through a coordinated marketing campaign including webinars that reached 4,000 attendees.

Pre-Arrival Supports

One key element in successfully attracting immigrants with the right skills to Alberta is support services in their countries of origin. In 2012-13, the Ministry began developing a strategy to provide coordinated pre-arrival services for immigrants to improve successful settlement in Alberta. This strategy includes extending education credential assessment services to more overseas applicants.

Temporary Foreign Workers

Canada's federal Temporary Foreign Worker (TFW) Program enables employers to hire foreign workers on a temporary basis to fill immediate skills and labour shortages, when Canadian citizens and permanent residents are not available to do the job. In Alberta, this program continues to be effective in meeting employers' short-term skilled labour needs. In 2012-13, Enterprise and Advanced Education developed pilot and permanent programs through the TFW Annex Agreement with the federal government, including an update to the steamfitter/pipefitter TFW pilot project that saw six new occupations added to meet a demonstrated need. These additions allowed Alberta employers to quickly hire the skilled workers they needed, and offered workers more mobility between employers.

Labour Mobility

Labour mobility allows Canadian workers in regulated occupations to work anywhere in Canada without further training or testing. For employers, labour mobility provides a larger pool of qualified candidates and a simpler process for hiring skilled workers from other parts of Canada. Enterprise and Advanced Education has undertaken a number of initiatives to increase labour mobility in order to increase the strength and skill of Alberta's workforce.

International Qualifications Assessment

Recognition of international educational credentials was promoted by the International Qualifications Assessment Service (IQAS), which issued over 6,500 assessment certificates in 2012-13. This represents a 9% increase in the number of assessment certificates issued from the previous year. These certificates are intended to help immigrants access the Alberta job market, educational institutions, and professional regulatory organizations. Over 70% of assessment certificate recipients in 2012-13 indicated that an IQAS assessment certificate helped them make decisions about their career, and 70% reported that their current job in Alberta is related to their previous education.

Foreign Qualifications Recognition and Innovation Fund

The Foreign Qualifications Recognition and Innovation Fund continues to improve Alberta stakeholders' ability to assess and recognize foreign qualifications through grant-funded projects. The Ministry provided nearly $670,000 in grants to support nine projects in 2012-13. One of these projects was the Internationally Educated Nurse (IEN) credential assessment program established by the College of Licensed Practical Nurses of Alberta. This program improves the assessment process and reduces the time to process IENs' entry into the licensed practice nurse profession. Since 2008, the Government of Alberta has provided over $3.5 million through this fund for a total of 41 projects to increase an organization's ability to assess and recognize immigrants' skills and education, and to prepare immigrants for examinations and licensure requirements.

Enterprise and Advanced Education recognizes the historical strength and resiliency of Alberta's labour force, and also the current labour challenges we face. The Ministry is working closely with our partners to address those immediate challenges. The Ministry is also looking ahead as Alberta's economy evolves, developing labour force strategies that anticipate the province's long-term economic needs.

Financial Highlights

The consolidated Ministry Financial Statements include:

- the Department of Enterprise and Advanced Education,
- the Access to the Future Fund,
- the Alberta Enterprise Corporation,
- Alberta Innovates – Bio Solutions,
- Alberta Innovates – Energy and Environment Solutions,
- Alberta Innovates – Health Solutions,
- Alberta Innovates – Technology Futures, and
- Alberta Public Post-Secondary Institutions.

Revenue

(in thousands)

	2013 Actual	2012 Actual (Restated)
Federal and Other Government Grants	$ 263,694	$ 350,575
Government of Alberta Grants	381,679	388,502
Tuition and Non-credit Courses	1,036,985	988,839
Sales, Rentals and Services	644,318	661,631
Donations, Grants and Contributions	375,697	430,630
Other Revenue	131,391	132,811
Total	$ 2,833,764	$ 2,952,988

Revenue decreased by $119 million from the prior year, primarily due to a change in accounting policy. The Ministry changed its policy for recording capital transfers and restricted capital contributions. Previously, capital transfers and restricted capital contributions were recorded as revenue when the tangible capital assets were acquired or constructed. As a result of this policy change, capital transfers and restricted capital contributions are now recognized as revenue over the useful life of the capital asset. As a result, revenue is lower this year.

Expenses by Function

(in thousands)

	2013 Actual	2012 Actual (Restated)
Health	$ 33,058	$ 28,105
Education	5,231,044	5,106,782
Agriculture, Research Management and Economic Development	252,708	204,961
Protection of Persons and Property	729	962
Regional Planning and Development	5,839	5,284
Total	$ 5,523,378	$ 5,346,094

Expenses increased $177 million from the prior year, primarily due to increased salary and wages, amortization because of a change in accounting policy, and supplies and services. This was partially offset by lower grants due to completion of the Knowledge Infrastructure Program.

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Ministry of Enterprise and Advanced Education
Consolidated Financial Statements

March 31, 2013 *Audited Information*

Independent Auditor's Report

Consolidated Statement of Operations

Consolidated Statement of Financial Position

Consolidated Statement of Cash Flows

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Schedules to the Consolidated Financial Statements

1 Consolidated Revenues

2 Consolidated Expenses Directly Incurred Detailed by Object

3 Consolidated Reconciliation of Budget with Actuals

4 Consolidated Related Party Transactions

5 Consolidated Allocated Costs

6 Consolidated Cash and Cash Equivalents

7 Consolidated Portfolio Investments

8 Entities Included in the Consolidated Financial Statements

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Enterprise and Advanced Education, which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Enterprise and Advanced Education as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 7, 2013
Edmonton, Alberta

Consolidated Statement of Operations

for the year ended March 31, 2013 *(in thousands)*

	2013 Actuals	2012 Actuals (Restated Note 3)
Revenues (Schedules 1 and 3)		
Government Transfers		
Government of Alberta Grants	$ 381,679	$ 388,502
Federal and Other Government Grants	263,694	350,575
Investment Income	118,203	118,820
Premiums, Fees and Licences	7,392	5,537
Tuition and Non-Credit Courses	1,036,985	988,839
Sales, Rentals and Services	644,318	661,631
Donations, Grants and Contributions	375,697	430,630
Other Revenue	5,796	8,454
	2,833,764	2,952,988
Expenses – Directly Incurred (Note 2(b) and Schedules 2, 3 and 5)		
Public Post-Secondary Institutions	4,999,033	4,797,988
Alberta Innovates Corporations	158,445	159,056
Alberta Enterprise Corporation	2,055	1,737
Department		
Support for Adult Learning	205,276	237,390
Apprenticeship Delivery	39,523	31,543
Alberta Centennial Education Savings Plan	17,318	17,713
Research and Innovation Capacity	8,044	10,615
Technology Commercialization	10,711	11,095
Ministry Support Services	35,288	31,322
Economic Competitiveness	19,884	18,568
Workforce Strategies	27,801	29,067
Ministry Expense	5,523,378	5,346,094
Ministry Net Operating Results	$(2,689,614)	$(2,393,106)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

as at March 31, 2013 *(in thousands)*

	2013	2012 (Restated Note 3)
Assets		
Cash and Cash Equivalents (Schedule 6)	$ 1,184,681	$ 1,279,132
Accounts Receivable (Note 4)	407,383	458,469
Portfolio Investments (Schedule 7)	3,585,780	3,395,270
Loans and Advances (Note 5)	861,170	594,132
Tangible Capital Assets (Note 6)	7,387,311	7,213,183
Inventory	27,826	32,261
Prepaid Expenses	48,366	45,432
	$ 13,502,517	$ 13,017,879
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 702,160	$ 684,147
Deferred Revenue (Note 8)	2,246,723	1,035,439
Long Term Debt (Note 9)	711,932	698,770
Employee Future Benefits (Note 15)	251,783	234,342
	3,912,598	2,652,698
Net Assets		
Net Assets at Beginning of Year	10,365,181	9,610,359
Adjustment to Net Assets (Note 17)	(1,125,909)	—
Net Operating Results	(2,689,614)	(2,393,106)
Increase in Post-Secondary Institution Endowments (Note 13)	52,709	72,545
Net Financing Provided from General Revenues	2,987,552	3,075,383
Net Assets at End of Year	9,589,919	10,365,181
	$ 13,502,517	$ 13,017,879

Contractual Obligations and Contingent Liabilities (Notes 10 and 11)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended March 31, 2013 *(in thousands)*

	2013	2012 (Restated Note 3)
Operating Transactions		
Net Operating Results	$(2,689,614)	$(2,393,106)
Non-cash Items included in Net Operating Results		
Amortization	447,833	426,162
Expended Capital Recognized as Revenue	(56,004)	—
Write-down of Tangible Capital Assets	16,205	3,132
Adjustment to Tangible Capital Assets	(600)	397
Loss on Disposal of Tangible Capital Assets	3,643	1,121
Donation of Capital Assets	(11,214)	(57,929)
Valuation Adjustments		
Provision for Employee Future Benefits	17,441	15,990
Provision for Future Cost of Student Loans Issued	3,530	57,785
Student Loans Valuation Adjustments	(3,781)	(2,838)
Provision for Vacation Pay and Other Provisions	170	2,758
	(2,272,391)	(1,946,528)
Decrease (Increase) in Accounts Receivable	51,086	(80,582)
Increase in Prepaid Expenses	(2,934)	(9,171)
Decrease in Inventory	4,435	9,502
Increase (Decrease) in Accounts Payable and Accrued Liabilities	17,843	(27,615)
Increase (Decrease) in Deferred Revenue	141,379	(14,755)
Cash Applied to Operating Transactions	(2,060,582)	(2,069,149)
Capital Transactions		
Acquisition of Tangible Capital Assets	(631,651)	(868,745)
Proceeds from Disposal of Tangible Capital Assets	1,656	1,859
Cash Applied to Capital Transactions	(629,995)	(866,886)
Investing Transactions		
Student Loan Disbursements	(340,131)	(267,830)
Student Loan Repayments	73,344	55,106
Net Purchase of Portfolio Investments	(190,510)	(158,544)
Cash Applied to Investing Transactions	(457,297)	(371,268)
Financing Transactions		
Net Financing Provided from General Revenues	2,987,552	3,075,383
Increase in Endowment Funds (Note 13)	52,709	72,545
Debt Issues	43,866	19,522
Debt Retirement	(30,704)	(34,220)
Cash Provided by Financing Transactions	3,053,423	3,133,230
Decrease in Cash and Cash Equivalents	(94,451)	(174,073)
Cash and Cash Equivalents, Beginning of Year	1,279,132	1,453,205
Cash and Cash Equivalents, End of Year	$ 1,184,681	$ 1,279,132

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

March 31, 2013

Note 1 *Authority and Purpose*

The Minister of Enterprise and Advanced Education has been designated as responsible for various Acts by the *Government Organization Act*, Chapter G-10, revised Statutes of Alberta 2000 and its regulations. Below are the organizations that form the Ministry of Enterprise and Advanced Education and the authority under which each organization operates. Schedule 8 provides a detailed listing of entities included in the organizational groupings.

Organization	Authority
Department of Enterprise and Advanced Education	*Government Organization Act*
Access to the Future Fund	*Access to the Future Act*
Alberta Enterprise Corporation	*Alberta Enterprise Corporation Act*
Alberta Innovates Corporations	*Alberta Research and Innovation Act*
Public Post-Secondary Institutions	*Post-secondary Learning Act*

In support of Alberta's vision, Enterprise and Advanced Education's purpose is to assist Alberta to be a learning and innovative society.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices*

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Enterprise and Advanced Education, for which the Minister of Enterprise and Advanced Education is accountable. The accounts of the Department are fully consolidated with the entities listed in Schedule 8 on a line-by-line basis. Revenue and expense, capital, investing and financing transactions and related asset and liability accounts between the consolidated entities have been eliminated. Accounting policies have been adjusted to conform with those of the Ministry.

The year-end of the Access to the Future Fund, Alberta Enterprise Corporation, Alberta Innovates Corporations, University of Alberta, University of Calgary, University of Lethbridge, Athabasca University and the Banff Centre is March 31.

The year-end for colleges, technical institutes, Grant MacEwan University and Mount Royal University is June 30. Transactions of these organizations that have occurred between the period July 1, 2012 to March 31, 2013, and that significantly affect the consolidated accounts, have been recorded.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year-end is recorded as deferred revenue.

Investment income earned from restricted sources is deferred and recognized when the stipulations imposed have been met. Gains and losses on investments are not recognized in the Consolidated Statement of Operations until realized.

Government Transfers

As of April 1, 2012, the Ministry retroactively adopted PS 3410, Government Transfers. This revised standard establishes how to account for and report government transfers to individuals, organizations, and other governments from both a transferring government and a recipient government perspective. The impact on the Ministry financial statements is disclosed in Note 17.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the Ministry's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the Ministry complies with its communicated use of the transfer.

All other government transfers, without terms for use of the transfer, are recorded as revenue when the Ministry is eligible to receive the funds.

Note 2 ***Summary of Significant Accounting Policies and Reporting Practices*** *(continued)*

Donations and Non-Government Grants

Donations and non-government grants are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government grants may be unrestricted or externally restricted for operating or capital purposes. Unrestricted donations and non-government grants are recorded as revenue in the year received or in the year the funds are committed. Externally restricted donations, non-government grants, and realized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with the Ministry's actions and communications as to the use, create a liability. These resources are recognized as the terms are met and, when applicable, the Ministry complies with its communicated use.

Grants and Donations of or for Land

The Ministry recognizes transfers and donations for the purchase of land as a liability when received, and as revenue when the Ministry purchases the land. The Ministry recognizes in-kind contributions of land as revenue at the fair value of the land. When the Ministry cannot determine the fair value, it records such in-kind contributions at a nominal value of $1.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries and supplies, etc. directly incurred expenses also include:

- amortization of tangible capital assets.
- inventory consumed.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to Universities Academic Pension Plan, student loans and vacation pay.

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedules 4 and 5.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to cash and financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Portfolio investments are recorded at cost. Gains and losses on investments are recognized when an investment is sold or when there is a permanent impairment in the value of an investment.

Loans and Advances are recorded at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major enhancements is $100,000. The threshold for all other tangible capital assets is $5,000 and $1,000 as determined by the entities. All land is capitalized.

When physical assets (tangible capital assets) are gifted or sold for a nominal sum, the fair values of these physical assets less any nominal proceeds are recorded as grants in kind. Unrealized gains and losses on transfers to controlled entities are eliminated on consolidation.

Expenses for patents owned by the Ministry as a result of research activity are not capitalized due to the uncertain value of benefits that may accrue to the Ministry.

Expenses on the acquisition or development of other intangible assets including intellectual capital are not capitalized as currently there is no acceptable methodology for measuring the value of future benefits accruing to the Ministry.

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Note 2 ***Summary of Significant Accounting Policies and Reporting Practices*** *(continued)*

Post-secondary institutions have collections consisting of historical artifacts and provincial, national and international works of art. The value of these collections, $160,661,875 (2012 - $156,617,000), is not recognized in the financial statements.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets/Net Liabilities

Net Assets/Net Liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the consolidated statement of financial position in the summary consolidated financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Ministry operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these consolidated financial statements do not report a net debt indicator.

Endowments

Donations and government transfers that must be maintained in perpetuity are recognized as direct increases in endowment net assets when received or receivable. Realized gains and losses attributable to portfolio investments that must be maintained in perpetuity are also recognized as a direct increase in endowment net assets when received or receivable.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arms length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and deferred revenue are estimated to approximate their carrying values because of the short-term nature of these instruments. The fair value of long-term debt approximates its carrying value as interest rates approximate the market value. The fair values of Loans and Advances and liability for student loans issued are not reported as there is no organized financial market for these instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Payments under Reciprocal Agreements

The Ministry entered into agreements with the Federal Government to provide services on its behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the Federal Government and are not included in these consolidated financial statements. Amounts paid and recovered under agreements are disclosed in Note 12.

Measurement Uncertainty *(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are:

- the allowance for impaired loans amounting to $75,567 (2012 - $58,117),
- the allowance for loan subsidy amounting to $35,230 (2012 - $32,161),
- the allowance for repayment assistance amounting to $2,088 (2012 - $1,562) and
- adjustment to opening net assets amounting to $1,125,909 relating to the retroactive application of the revised PS 3410, Government Transfers.

The Ministry has made certain estimates in the following areas:

- Recovery and default rates in the determination of the allowance for impaired loans.
- Student loan amortization periods in the determination of the allowance for loan subsidy.
- Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices (continued)*

With respect to the Universities Academic Pension Plan, the plan's actuary has made certain estimates and assumptions in the determination of the March 31, 2013 extrapolated results. Refer to Note 15 for these assumptions.

Changes in these estimates could materially impact the allowance for impaired loans, the allowance for loan subsidy, the allowance for repayment assistance, the adjustment to net assets and the unfunded liability for the Universities Academic Pension Plan.

Government Endowment Funds for Research and Scholarships

(in thousands)

The Alberta Heritage Foundation for Medical Research Endowment Fund operates under the *Alberta Research and Innovation Act* for the purpose of supporting medical research. The Alberta Heritage Science and Engineering Research Endowment Fund also operates under the *Alberta Research and Innovation Act* for the purpose of supporting science and engineering research. The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Treasury Board and Finance controls these endowments, however, the Ministry of Enterprise and Advanced Education has an economic interest in the endowments as they assist in funding Ministry programs. Additional information on these endowments can be found in the financial statements for Treasury Board and Finance.

	Net Assets			
	2013		2012	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Alberta Heritage Foundation for Medical Research Endowment Fund	$ 1,282,905	$ 1,436,184	$ 1,255,039	$ 1,364,081
Alberta Heritage Science and Engineering Research Endowment Fund	739,740	826,309	721,177	781,845
Alberta Heritage Scholarship Fund	737,375	819,731	715,482	769,576
	$ 2,760,020	$ 3,082,224	$ 2,691,698	$ 2,915,502

(c) Future Accounting Changes

PS 3450 Financial Instruments

In June 2011 the Public Sector Accounting Board issued the accounting standard effective for fiscal years starting on or after April 1, 2015 for governments. Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statements Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

The Ministry has the option of adopting this standard prior to fiscal year 2015-16. The Ministry will adopt this standard in the same period in which the province makes this adoption.

Note 3 Prior Period Restatement due to Government Reorganization and Correction of an Error

(in thousands)

As a result of cabinet restructuring on May 8, 2012 the Ministry of Advanced Education and Technology was restructured. Responsibility for Economic Competitiveness was transferred from the former Ministry of Treasury Board and Enterprise. Responsibility for Workforce Strategies was transferred from the Ministry of Human Services. The Ministry was renamed as Ministry of Enterprise and Advanced Education. Comparatives for 2012 have been restated as if the Ministry had always been assigned with its current responsibilities.

In prior years, adjustments to Endowments and Other Net Assets were combined in error. The prior year amounts for endowments and net assets are now separated, resulting in an increase to Endowments of $16,989 and a decrease in Net Assets of the same.

The impact of the correction of the error and the government reorganization are as follows:

	March 31, 2012		
	As Previously Stated	Adjustments	Restated Amounts
Assets	$ 13,017,213	$ 666	$ 13,017,879
Liabilities	2,649,839	2,859	2,652,698
Revenue	2,980,000	(27,012)	2,952,988
Expenses	5,297,254	48,840	5,346,094
Net Operating Results	(2,317,254)	(75,852)	(2,393,106)
Net Financing provided from General Revenue	2,998,206	77,177	3,075,383
Net Assets at March 31, 2012	9,630,866	(20,507)	9,610,359
Increase in Post Secondary Institution Endowments	55,556	16,989	72,545
Net Assets restated at March 31, 2012	$ 10,367,374	$ (2,193)	$ 10,365,181

Note 4 Accounts Receivable

(in thousands)

	2013			2012
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
				(Restated Note 3)
Accounts Receivable	$ 414,599	$ (7,216)	$ 407,383	$ 458,469

Accounts receivable are unsecured and non-interest bearing.

Note 5 Loans and Advances

(in thousands)

	2013	2012
Loans Receivable	$ 974,055	$ 761,940
Less:		
Allowance for Loan Relief Completion Payments	—	(75,968)
Allowance for Impaired Loans	(75,567)	(58,117)
Allowance for Loan Subsidy	(35,230)	(32,161)
Allowance for Repayment Assistance	(2,088)	(1,562)
	$ 861,170	$ 594,132

Under the Alberta Student Loan Program, loans are provided by the Ministry to qualifying students on terms prescribed by the Minister of Enterprise and Advanced Education.

Loans become payable and interest is earned starting six months after students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

Loan relief completion program was replaced with a completion incentive grant effective August 1, 2012. As a result, an allowance for future loan relief completion payments is no longer required. Loan relief completion payments on Alberta Student Loans were made to students who completed their studies by July 31, 2012 and assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default and recovery rates.

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the Ministry does not receive interest payments over the term of the loans to fully cover the Ministry's cost of financing the loan portfolio. Changes in future year estimates are expensed and are amortized over the estimated life of the student repayment period.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the Ministry through the repayment assistance program.

Note 6 Tangible Capital Assets

(in thousands)

	2013						
	Land	Building	Land Improvement	Equipment (3)	Computer Hardware and Software	Other (4)	Total
Estimated Useful Life	Indefinite	3-50 years	10-40 years	3-40 years	3-15 years	3-40 years	
Historical Cost (1)							
Beginning of year (Restated)	$ 268,572	$ 8,352,917	$ 41,114	$ 1,934,082	$ 897,839	$ 666,671	$ 12,161,195
Additions (2)	6,711	413,698	2,926	113,758	65,952	39,820	642,865
Disposals, including write-downs	(34)	(17,502)	—	(65,943)	(46,202)	(4,175)	(133,856)
Adjustments (5)	(3)	5,408	—	2,154	(2,287)	(5,377)	(105)
	275,246	8,754,521	44,040	1,984,051	915,302	696,939	12,670,099
Accumulated Amortization							
Beginning of year (Restated)	—	2,556,978	12,490	1,148,676	771,723	458,146	4,948,013
Amortization expense	—	219,282	1,095	133,309	56,392	37,755	447,833
Effect of disposals including write-downs	—	(15,141)	—	(53,431)	(40,701)	(3,077)	(112,350)
Adjustments (5)	—	1,656	(2)	(1,993)	1,669	(2,038)	(708)
	—	2,762,775	13,583	1,226,561	789,083	490,786	5,282,788
Net Book Value at March 31, 2013	$ 275,246	$ 5,991,746	$ 30,457	$ 757,490	$ 126,219	$ 206,153	$ 7,387,311
Net Book Value at March 31, 2012	$ 268,572	$ 5,795,939	$ 28,624	$ 785,406	$ 126,116	$ 208,526	$ 7,213,183

(1) Historical cost includes work-in-progress at March 31, 2013 totalling $598,960 comprised of Building and Site Improvements - $537,362, Equipment - $16,756, Computer Hardware and Software - $44,592 and Other - $250.

(2) Additions include donated capital assets in the amount of $11,214 (2012 - 57,929).

(3) Equipment includes vehicles, heavy equipment, office equipment and furniture, other equipment and library materials.

(4) Includes leasehold improvements, library materials and asset retirement obligations.

(5) Includes adjustments for accounting policy alignments and reclassifications between capital asset categories.

Note 7 Accounts Payable and Accrued Liabilities

(in thousands)

	2013	2012 (Restated Note 3)
Accounts Payable	$ 21,987	$ 12,654
Accrued Liabilities	680,173	671,493
	$ 702,160	$ 684,147

Note 8 Deferred Revenue

(in thousands)

	2013	2012
Restricted Contributions - Unexpended (1)	$ 839,482	$ 890,418
Restricted Capital Contributions - Expended (2)	1,252,132	—
Restricted Contributions	2,091,614	890,418
Deferred Service Revenue (3)	155,109	145,021
	$ 2,246,723	$ 1,035,439

(1) Restricted Contributions - Unexpended respresents restricted grants and donations to acquire capital assets which have not yet been spent.

(2) Restricted Capital Contributions - Expended represents restricted grants and donations that have been used to acquire capital assets that created a liability that will be recognized to revenue as the Ministry meets the stipulations, generally over the life of the assets.

(3) Payments received prior to service being provided, which are primarily tuition payments.

Note 9 Long Term Debt

(in thousands)

	Maturity	Average Interest Rate	Cost 2013 (2)	Cost 2012 (2)
Debentures (1)	Up to December 2047	5.00%	$ 688,491	$ 674,668
Bank Loan	June 2018	4.63%	331	2,284
Mortgages	March 2016	5.13%	2,246	2,351
Other (3)			13,577	13,950
			704,645	693,253
Liabilities under Capital Leases (4)			7,287	5,517
			$ 711,932	$ 698,770

(1) Debentures are payable to Alberta Capital Finance Authority.
(2) Cost approximates fair market value.
(3) Primarily includes asset retirement obligations.
(4) The calculation of the liabilities under capital leases are as follows:

	2013	2012
Liabilities, beginning of the year	$ 5,517	$ 6,984
Additions to liabilities during the year	6,474	1,169
Principal payments	(4,704)	(2,636)
Liabilities, end of year	$ 7,287	$ 5,517

Principal repayments in each of the next five years and thereafter are as follows:

2013-14	$ 32,192
2014-15	32,009
2015-16	28,260
2016-17	27,797
2017-18	27,425
Thereafter	564,249
	$ 711,932

Note 10 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2013	2012
Obligations under Operating Leases, Contracts and Programs	$ 1,002,992	$ 948,760
Loans and Advances Approved (1)	11,135	7,361
	$ 1,014,127	$ 956,121

(1) Loans and Advances Approved are comprised of uncashed student loans.

Estimated payment requirements for each of the next five years and thereafter are as follows:

	2013		
	Obligations under Operating Leases, Contracts and Programs	Loans and Advances Approved	Total
2013-14	$ 574,423	$ 11,135	$ 585,558
2014-15	182,112	—	182,112
2015-16	87,938	—	87,938
2016-17	56,243	—	56,243
2017-18	22,146	—	22,146
Thereafter	80,130	—	80,130
	$ 1,002,992	$ 11,135	$ 1,014,127

Note 11 Contingent Liabilities

(in thousands)

At March 31, 2013, the Ministry of Enterprise and Advanced Education was named as a defendant in 6 (2012 - 7) specific legal actions. The total claimed in 3 (2012 - 6) actions approximate $15 (2012 - $658). For the other claims, no specified amounts have yet been claimed; the amount of these claims will be determined at trial. The resulting loss, if any, from these claims cannot be determined.

The Public Post-Secondary Institutions also entered into employment contracts that included a commitment to provide or guarantee housing loans in the amount of $882 (2012 - $989).

Note 12 Payments under Agreement

(in thousands)

The Ministry has entered into agreements to deliver programs that are fully funded by the Government of Canada and the Provincial/Territorial (P/T) Forum of Immigration Ministers Secretariat. Costs under these agreements are incurred by the Ministry under authority of section 25 of the *Financial Administration Act*. Accounts Receivable includes $64,436 (2012 - $78,101) and Accounts Payable and Accrued Liabilities includes $309 (2012 - $10,058) relating to payments under agreement.

Government of Canada:

Amounts paid and (payable) under agreements with program sponsors are as follows:

	2013	2012
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (205)	$ (281)
Government of Canada		
Canada Study Grants	(128)	(333)
Canada Access Grants	(10)	(8)
Canada Student Grants	73,614	73,844
French Minority Language Education and French Second Language Instruction	4,504	4,226
	$ 77,775	$ 77,448

P/T Secretariat

In 2008-09, a P/T Forum of Immigration Ministers Secretariat was created with the goal of enhancing P/T alignment and collaboration on immigration and integration issues. The cost of running the Secretariat is shared among provinces/territories, with the exception of Quebec, which is a member holding observer status.

As per the Terms of Reference for the P/T Secretariat, the lead jurisdiction will be rotated every two years. Commencing April 1, 2012, Alberta will host and chair this Forum until March 31, 2014.

The budget for the Secretariat is reviewed by the leading jurisdiction and approved by all P/Ts. At the end of each term, any surplus will be transferred to the incoming lead jurisdiction.

The Ministry is the lead jurisdiction in Alberta and has incurred $206 in expenses relating to payments under agreement.

Note 13 Endowment Funds

(in thousands)

Endowments consist of externally restricted donations received by the universities, colleges, and internal allocations by the post-secondary institutions' Boards of Governors, the principal of which is required to be maintained intact in perpetuity. Donors have placed restrictions on their contributions to the endowment funds of universities and colleges. The principal restriction is that the original contribution not be spent except as expressly allowed under the *Post-secondary Learning Act* for endowments made to universities and colleges. Other potential restrictions are that any investment income of the endowment fund that is required to offset the impact of inflation should also not be spent.

	2013	2012
		(Restated Note 3)
Beginning Balance	$ 1,490,109	$ 1,417,564
Contributions	53,513	77,219
Capitalization of Investment Earnings	1,458	4,010
Net Transfers from Deferred Contributions	4,235	2,950
Net Transfers to Other Net Assets	(6,497)	(11,634)
	$ 1,542,818	$ 1,490,109

Note 14 Funds Held on Behalf of Others

(in thousands)

The Ministry holds funds on behalf of others over which they have no power of appropriation. Because the Ministry has no equity in the funds and holds them for the purposes of various other organizations, they are not included in the Ministry's financial statements. Total net assets of the funds held on behalf of others by the Ministry at March 31, 2013 were $26,532 (2012 Restated - $28,611).

Note 15 Employee Future Benefits

(in thousands)

	2013	2012
Pension Liability		
Universities Academic Pension Plan	$ 198,831	$ 179,348
Supplementary Pension Plans	52,952	54,994
	$ 251,783	$ 234,342

Universities Academic Pension Plan

The Universities Academic Pension Plan (UAPP) is a multi-employer defined benefit pension plan primarily comprised of academic staff members and other eligible employees of the Universities of Alberta, Calgary, Lethbridge, and Athabasca and Banff Centre (employers). The Universities Academic Pension Plan Board (the Board) is the trustee and administrator of the UAPP. The Board operates under the authority of the *Employment Pension Plans Act*.

An actuarial valuation of the UAPP was carried out as at December 31, 2010 and was extrapolated to March 31, 2013 using the projected unit cost method prorated on benefits. The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The significant actuarial assumptions used to measure the accrued benefit obligation are as follows:

	2013	2012
Discount Rate	6.20%	6.50%
Expected Rate of Return on Plan Asset	6.20%	6.50%
Salary Escalation Rate (1)	3.50%	3.50%
Real Wage Growth	1.25%	1.25%
Inflation Rate	2.25%	2.25%
Estimated Average Remaining Service Life (years)	10.2	10.2

(1) Excludes merit and promotion rates.

The 2012 UAPP Annual Report identifies an unfunded liability at December 31, 2012 in the amount of $1,107,000 (2011 Restated - $1,191,453). An actuarial extrapolation of this amount to March 31, 2013, adjusted for public sector reporting standards, estimates the unfunded liability at $1,149,175 (2012 - $1,153,334) and unamortized actuarial losses totalling $230,707 (2012 - $257,272). The following table provides further breakdown of how the liability has been allocated amongst the participants:

	Alberta Treasury Board and Finance	Employees	Employers	March 31, 2013 Extrapolated Results	March 31, 2012 Extrapolated Results
Pre '92	$ 327,710	$ 219,467	$ 219,467	$ 766,644	$ 759,322
Post '91	—	191,266	191,265	382,531	394,013
Total Unfunded Liability	$ 327,710	$ 410,733	$ 410,732	$ 1,149,175	$ 1,153,335

The unfunded liability for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2011 - 1.25%) of salaries by Alberta Treasury Board and Finance and the balance of the required contributions, 2.34% (2012 - 2.34%) of salaries, is equally split between employees and employers in order to eliminate the unfunded deficiency by December 31, 2034. Employees and employers are responsible for fully funding service after 1991 which consists of special payments of 5.24% (2012 - 5.24%) of salaries until December 31, 2021.

The total contributions for the year (which includes the current year's service) were $213,091 (2012 - $203,318) of which the contributions made by employees were $101,092 (2012 - $96,034) and contributions made by Alberta Treasury Board and Finance were $10,366 (2012 - $10,740).

Additional information on UAPP can be found in the Annual Report of UAPP.

Note 15 ***Employee Future Benefits*** *(continued)* *(in thousands)*

The expense and financial position of the UAPP is as follows:

	2013	2012
Pension Liability		
Accrued Benefit Obligation		
Balance at the beginning of the year	$ 3,829,138	$ 3,579,328
Current Service Cost	138,301	135,339
Interest Cost	251,553	235,472
Benefits Paid	(194,803)	(184,033)
Actuarial Gain/Loss	128,545	63,033
Balance at the end of the year	4,152,734	3,829,139
Pension Fund Assets	(3,003,559)	(2,675,804)
Total Unfunded Liability	$ 1,149,175	$ 1,153,335
Ministry's Portion of the Total Unfunded Liability	$ 410,732	$ 419,268
Unamortized Actuarial Net Loss	(211,901)	(239,920)
Total UAPP Pension Liability	$ 198,831	$ 179,348

The expense recorded in these financial statements is $121,117 (2012 Restated - $107,668) and includes the following components:

	2013	2012 (Restated)
Pension Expense		
Current Period Benefit Cost	$ 69,151	$ 67,670
Amortization of Actuarial Gains/Losses	23,522	16,718
Pension Expense	92,673	84,388
Interest Cost on the Average Accrued Benefit Obligation	105,456	95,543
Expected Return on Average Pension Plan Assets	(77,012)	(72,263)
Pension Interest Expense	28,444	23,280
Total UAPP Pension Expense	$ 121,117	$ 107,668

Ministry Pension Plans

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Local Authorities Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $126,585 for the year ended March 31, 2013 (2012 - $110,877).

At December 31, 2012, the Management Employees Pension Plan reported a deficiency of $303,423 (2011 - deficiency of $517,726), the Local Authorities Pension Plan reported a deficiency of $4,977,303 (2011 - deficiency of $4,639,390) and the Public Service Pension Plan reported a deficiency of $1,645,141 (2011 - deficiency of $1,790,383). At December 31, 2012, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $51,870 (2011 - deficiency of $53,489).

Certain consolidated entities provide defined supplementary executive retirement plans for certain management staff, and other benefit plans for all or specific groups of staff, depending on the plans. The cost of these benefits are actuarially determined on an annual basis using the projected benefit method pro-rated on services, the government borrowing rate and management's best estimate of expected costs and the period of benefit coverage. At March 31, 2013, these plans have net accrued liability of $52,952 (2012 - $54,994). This liability is included in employee future benefits. The expense recorded in these financial statements is $3,573.

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2013, the Bargaining Unit Plan reported an actuarial surplus of $51,717 (2012 - surplus of $9,136) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $18,327 (2012 - surplus of $10,454). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 16 Derivative Contracts and Related Credit Risk

(in thousands)

The Ministry uses derivative contracts to improve investment return and to manage interest and currency risks. Derivative contracts have credit risks that could expose the Ministry to potential losses. Credit risk for derivative contracts is the risk that the counterparty will not pay its obligation when it comes due.

The following is a summary of the fair values and maturity schedules of the Ministry's derivative contracts by type, contracts being segregated by favourable and unfavourable position. Derivatives in a favourable position have positive fair values which represent amounts owed to the Ministry by counterparties.

	Maturity			Contract Notional Amount	Fair Values	
	Under 1 Year	1 to 3 Years	Over 3 Years		Favourable Position	Unfavourable Position
Forward Foreign Exchange Contracts	100%	—	—	$ 230,984	$ 12,076	$ 11,893
Interest Rate Swap Contracts	—	—	100%	735	—	76
Total 2013				$ 231,719	$ 12,076	$ 11,969

Note 17 Adjustment to Net Assets

(in thousands)

Effective April 1, 2012, the Ministry changed its policy for recording capital transfers and restricted capital contributions. Previously, capital transfers and restricted capital contributions were recorded as revenue when the tangible capitals assets were acquired or constructed. As a result of this policy change, capital transfers and restricted capital contributions are recorded as deferred revenue upon receipt and recognized as revenue over the useful life of the capital assets based on relevant stipulations by the transferring government, donors and other contributors. This policy has been adopted retroactively without restatement of comparatives. As a result, the opening net assets have decreased by $1,125,909.

Note 18 Subsequent Event

(in thousands)

Effective April 1, 2013, the responsibility for Alberta Innovates – Health Solutions was transferred to the Ministry of Health.

The Ministry's financial statements at March 31, 2013 include:

	2013
Assets	49,846
Liabilities	12,014
Net Assets	37,832
Revenues	88,543
Expenses	93,084

Note 19 Comparative Figures

Certain 2012 figures have been reclassified to conform to the 2013 presentation.

Note 20 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Deputy Minister and the Senior Financial Officer.

Schedules to the Consolidated Financial Statements

Schedule 1 Consolidated Revenues

(in thousands)

for the year ended March 31, 2013	2013 Actuals	2012 Actuals (Restated Note 3)
Government Transfers		
Government of Alberta Grants		
Alberta Heritage Scholarship Fund	$ 37,570	$ 36,643
Access to the Future Fund	51,245	49,656
Alberta Heritage Science and Engineering Research Endowment Fund	42,500	41,500
Alberta Heritage Foundation for Medical Research Endowment Fund	79,050	75,950
Alberta Innovates Corporations	3,835	8,942
Post-Secondary Institutions	167,479	175,811
	381,679	388,502
Federal and Other Government Grants		
Knowledge Infrastructure Program	—	24,420
Public Post-Secondary Institutions	259,519	322,291
Other	4,175	3,864
	263,694	350,575
Investment Income		
Interest on Student Loans Issued	11,072	10,250
Public Post-Secondary Institutions	106,084	107,637
Other	1,047	933
	118,203	118,820
Premiums, Fees and Licences		
Apprenticeship Services	6,642	4,789
Licence Fees	140	695
Other	610	53
	7,392	5,537
Tuition and Non-Credit Courses	1,036,985	988,839
Sales, Rentals and Services	644,318	661,631
Donations, Grants and Contributions	375,697	430,630
Other Revenue		
Refunds of Expenditure	3,949	3,218
Miscellaneous	1,847	5,236
	5,796	8,454
	$ 2,833,764	$ 2,952,988

Schedule 2 Consolidated Expenses Directly Incurred Detailed by Object

(in thousands)

	2013 Actual	2012 Actual (Restated Note 3)
Grants	$ 439,898	$ 475,862
Salaries, Wages and Employee Benefits	3,258,858	3,103,143
Supplies and Services	1,319,599	1,301,372
Financial Transactions and Other (1)	22,552	4,620
Interest on Long-term Debt	34,638	34,935
Amortization of Tangible Capital Assets	447,833	426,162
	$ 5,523,378	$ 5,346,094

(1) This amount includes write-downs and losses on tangible capital assets of $19,978 (2012 - $4,253).

Schedule 3 Consolidated Reconciliation of Budget with Actuals

(in thousands)

	2013				
	Authorized Budget	Actual without SUCH Sector and Innovates Corporations	Actual SUCH Sector and Innovates Corporations	Adjustments	Actual with SUCH Sector and Innovates Corporations
Revenues					
Government Transfers					
Government of Alberta Grants	$ 208,540	$ 210,365	$ 2,979,444	$ (2,808,130)	$ 381,679
Federal and Other Government Grants	3,528	4,175	283,060	(23,541)	263,694
Investment Income	12,418	10,059	115,928	(7,784)	118,203
Premiums, Fees and Licences	9,680	9,582	—	(2,190)	7,392
Tuition and Non-Credit Courses	—	—	1,036,985	—	1,036,985
Sales, Rentals and Services	—	36	653,459	(9,177)	644,318
Donations, Grants and Contributions	—	—	344,975	30,722	375,697
Other Revenue	5,192	5,702	1,665	(1,571)	5,796
Total Revenues	$ 239,358	$ 239,919	$ 5,415,516	$ (2,821,671)	$ 2,833,764
Expenses					
Grants	$ 2,778,910	$ 2,774,076	$ 337,827	$ (2,672,005)	$ 439,898
Supplies and Services	73,916	67,217	1,271,931	(19,549)	1,319,599
Salaries, Wages and Employee Benefits	96,564	89,337	3,154,277	15,244	3,258,858
Amortization of Tangible Capital Assets	4,747	5,016	431,951	10,866	447,833
Financial Transactions and Other	203	226	53,649	3,315	57,190
Total Expenses	$ 2,954,340	$ 2,935,872	$ 5,249,635	$ (2,662,129)	$ 5,523,378

Schedule 4 Consolidated Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry had the following transactions with related parties which are recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2013	2012 (Restated Note 3)
Revenues		
Grants	$ 340,308	$ 350,304
Other	137,572	147,189
	$ 477,880	$ 497,493
Expenses – Directly Incurred		
Grants	$ 3,576	$ 5,890
Other Services	84,892	92,908
	$ 88,468	$ 98,798
Receivables from	$ 19,470	$ 15,701
Payables to	$ 32,458	$ 46,336
Deferred Revenue	$ 350,334	$ 168,288
Debt to Related Parties	$ 681,686	$ 672,592
Contractual Obligations	$ 7,531	$ 7,345

The above transactions do not include support service arrangement transactions disclosed in Schedule 5.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation, Legal expenses and Shared Service costs incurred by others are disclosed in Schedule 5.

	2013	2012 (Restated Note 3)
Expenses – Incurred by Others		
Accommodation	$ 25,245	$ 24,216
Legal	743	851
Air Transportation Services / Executive Vehicle	133	115
Internal Audit	280	151
Shared Services	5,331	4,319
GOA Learning Centre	54	40
	$ 31,786	$ 29,692

Schedule 5 Consolidated Allocated Costs

(in thousands)

	2013					2012
		Expenses – Incurred by Others				
	Expenses (1)	Accommodation Costs (2)	Shared Services (3)	Legal Services (4)	Total Expenses	Total Expenses
						(Restated Note 3)
Program						
Public Post-Secondary Institutions	$ 4,999,033	$ —	$ —	$ —	$ 4,999,033	$ 4,793,735
Alberta Innovates Corporations	158,445	17,161	—	—	175,606	174,763
Alberta Enterprise Corporation	2,055	—	—	—	2,055	1,737
Department						
Support for Adult Learning	205,276	2,016	—	65	207,357	240,451
Apprenticeship Delivery	39,523	2,193	—	96	41,812	33,921
Alberta Centennial Education Savings Plan	17,318	—	—	—	17,318	17,713
Research and Innovation Capacity	8,044	307	—	102	8,453	11,069
Technology Commercialization	10,711	372	—	94	11,177	11,872
Economic Competitiveness	35,288	818	—	57	36,163	20,012
Workforce Strategies	19,884	1,300	—	—	21,184	52,909
Ministry Support Services	27,801	1,078	5,331	329	34,539	35,993
	$ 5,523,378	$ 25,245	$ 5,331	$ 743	$ 5,554,697	$ 5,394,175

(1) Expenses – Directly Incurred as per Consolidated Statement of Operations.

(2) Costs are as shown for Accommodation on Schedule 4 and allocated to participating entities and by proportion of full-time equivalent staff.

(3) Shared Services costs, as shown on Schedule 4, are allocated only to Ministry Support Services because the services are related to Ministry support functions.

(4) Costs are as shown for Legal Services on Schedule 4 and allocated by estimated costs incurred by each program.

Schedule 6 Consolidated Cash and Cash Equivalents

(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta.

The CCITF is managed with the objective of providing comparative interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high quality, short-term securities with a maximum term to maturity of 120 days.

At March 31, 2013, securities held by the Fund have an average effective yield of 1.14% (2012 - 1.16%) per annum.

Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

	2013 Cost	2012 Cost
Cash (1)	$ 382,635	$ 491,420
Cash Equivalents (2)	802,046	787,712
	$ 1,184,681	$ 1,279,132

(1) Cash includes deposits in CCITF.

(2) Cash Equivalents include money market funds, short-term notes and Treasury bills.

Schedule 7 Consolidated Portfolio Investments

(in thousands)

	2013		2012	
	Value at Cost	Fair Value	Value at Cost	Fair Value
Interest-Bearing Securities (1)				
Deposits and Short-term Securities	$ 780,127	$ 780,397	$ 697,061	$ 696,949
Bonds and Mortgages	1,174,523	1,203,412	1,265,487	1,298,487
Floating Rate Notes	88,054	141,170	96,531	135,219
	2,042,704	2,124,979	2,059,079	2,130,655
Equities				
Canadian Equities	655,779	769,091	504,236	568,589
Foreign Equities	766,830	907,491	713,942	761,131
	1,422,609	1,676,582	1,218,178	1,329,720
Inflation Sensitive and Alternative Investments				
Real Estate Funds	52,586	57,015	50,441	50,734
Other Investments	67,881	67,620	67,572	67,572
	120,467	124,635	118,013	118,306
	$ 3,585,780	$ 3,926,196	$ 3,395,270	$ 3,578,681

(1) Interest-bearing securities reported at March 31, 2013 have an average market yield of 1.92% (2012 - 2.54%) per annum.

Following is the maturity structure based on principal amount:

	2013	2012
Under 1 year	44%	43%
1 to 5 years	30%	31%
6 to 10 years	12%	10%
11 to 20 years	2%	10%
Over 20 years	12%	6%
	100%	100%

Schedule 8 *Entities Included in the Consolidated Financial Statements*

Department of Enterprise and Advanced Education

Funds and Agencies

- Access to the Future Fund
- Alberta Enterprise Corporation

Public Post-Secondary Institutions

Comprehensive Academic and Research Institutions

- Athabasca University
- University of Alberta
- University of Calgary
- University of Lethbridge

Baccalaureate and Applied Studies Institutions

- Grant MacEwan University
- Mount Royal University

Polytechnical Institutions

- Northern Alberta Institute of Technology
- Southern Alberta Institute of Technology

Comprehensive Community Institutions

- Bow Valley College
- Grande Prairie Regional College
- Keyano College
- Lakeland College
- Lethbridge College
- Medicine Hat College
- NorQuest College
- Northern Lakes College
- Olds College
- Portage College
- Red Deer College

Specialized Arts and Culture Institutions

- Alberta College of Art + Design
- The Banff Centre

Alberta Innovates Corporations

- Alberta Innovates – Bio Solutions
- Alberta Innovates – Energy and Environment Solutions
- Alberta Innovates – Health Solutions
- Alberta Innovates – Technology Futures

Department of Enterprise and Advanced Education
Financial Statements

March 31, 2013 *Audited Information*

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AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Enterprise and Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Enterprise and Advanced Education, which comprise the statement of financial position as at March 31, 2013, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Enterprise and Advanced Education as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 7, 2013
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2013 *(in thousands)*

	2013 Budget (1) (Schedule 4)	2013 Actual	2012 Actual (Restated Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Transfers	$ 157,543	$ 159,120	$ 154,093
Federal and Other Government Grants	2,900	4,175	28,199
Investment Income	13,900	11,073	10,250
Premiums, Fees and Licences	9,045	9,582	7,550
Other Revenue	4,525	5,736	4,479
	187,913	189,686	204,571
Expenses – Directly Incurred (Note 2(b) and Schedule 10)			
Program (Schedules 3 and 6)			
Ministry Support Services	37,868	35,480	31,273
Support for Adult Learning	2,489,848	2,421,984	2,360,111
Post-Secondary Infrastructure	76,000	75,917	255,602
Apprenticeship Delivery	39,851	42,183	34,056
Research and Innovation Capacity	150,982	152,773	148,244
Technology Commercialization	123,799	118,229	119,212
Economic Competitiveness	18,832	20,143	18,568
Workforce Strategies	54,015	51,939	51,287
Alberta Centennial Education Savings Plan	20,500	17,318	17,713
	3,011,695	2,935,966	3,036,066
Net Operating Results	$(2,823,782)	$(2,746,280)	$(2,831,495)

The accompanying notes and schedules are part of these financial statements.

(1) Budget numbers have been restated to reflect the re-organization of government departments established by Orders in Council under the *Government Organization Act*, on May 8, May 24, and July 11, 2012.

Statement of Financial Position

as at March 31, 2013 *(in thousands)*

	2013	2012 (Restated Note 3)
Assets		
Cash	$ 15,737	$ 1,056
Accounts Receivable (Note 4)	71,713	109,246
Loans Receivable (Note 5)	861,170	594,132
Tangible Capital Assets (Note 6)	26,163	24,680
	$ 974,783	$ 729,114
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	$ 32,449	$ 28,234
Deferred Revenue	689	507
	33,138	28,741
Net Assets		
Net Assets at Beginning of Year	700,373	456,485
Net Operating Results	(2,746,280)	(2,831,495)
Net Financing Provided from General Revenues	2,987,552	3,075,383
Net Assets at End of Year	941,645	700,373
	$ 974,783	$ 729,114

Contractual Obligations (Note 8)

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2013 *(in thousands)*

	2013	2012 (Restated Note 3)
Operating Transactions		
Net Operating Results	$ (2,746,280)	$ (2,831,495)
Non-cash Items included in Net Operating Results		
Amortization	5,016	4,260
Provision for Future Cost of Student Loans Issued	3,530	57,785
Student Loan Valuation Adjustments	(3,781)	(2,838)
Provision for Vacation Pay	784	(96)
Write-off of Tangible Capital Assets	59	—
	(2,740,672)	(2,772,384)
Decrease (Increase) in Accounts Receivable	37,533	(88,302)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	3,431	(186)
Increase (Decrease) in Deferred Revenue	182	(5)
Cash Applied to Operating Transactions	(2,699,526)	(2,860,877)
Capital Transactions		
Acquisition of Tangible Capital Assets	(6,558)	(4,832)
Cash Applied to Capital Transactions	(6,558)	(4,832)
Investing Transactions		
Loans Receivable		
Student Loan Disbursements	(340,131)	(267,830)
Student Loan Repayments	73,344	55,106
Cash Applied to Investing Transactions	(266,787)	(212,724)
Financing Transactions		
Net Financing Provided from General Revenues	2,987,552	3,075,383
Cash Provided by Financing Transactions	2,987,552	3,075,383
Increase (Decrease) in Cash	14,681	(3,050)
Cash at Beginning of Year	1,056	4,106
Cash at End of Year	$ 15,737	$ 1,056

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2013

Note 1 Authority and Purpose

The Department of Enterprise and Advanced Education operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

In support of Alberta's vision, Enterprise and Advanced Education's purpose is to build a resilient economy and a thriving society by engaging Albertans in learning, innovation, and entrepreneurship.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Department of Enterprise and Advanced Education, which is part of the Ministry of Enterprise and Advanced Education and for which the Minister of Enterprise and Advanced Education is accountable. Other entities accountable to the Minister are the Access to the Future Fund, Alberta Enterprise Corporation, Alberta Innovates corporations and Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Treasury Board and Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from (for) General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenue Accounting Policy

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year-end is recorded as deferred revenue.

Government Transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the department's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the department complies with its communicated use of the transfer.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the department is eligible to receive the funds.

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual Credit or Recovery amounts exceed budget, the department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the department's Credit or Recovery initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the department has primary responsibility and accountability for, as reflected in the government's budget documents.

Note 2 ***Summary of Significant Accounting Policies and Reporting Practices*** *(continued)*

In addition to program operating expenses such as salaries and supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets,
- pension costs, which are the cost of employer contributions for current service of employees during the year, and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. For the department, valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to student loans and employee vacation pay.

Grants are recognized as expenses when authorized and eligibility criteria (if any) are met.

Incurred by Others

Services contributed by other entities in support of the department operations are not recognized and are disclosed in Schedule 9 and allocated to programs in Schedule 10.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the department are limited to cash and financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Loans receivable are recorded at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Assets acquired by right are not included.

Tangible capital assets of the department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $250,000 and the threshold for major systems enhancements is $100,000. The threshold for all other tangible capital assets is $5,000.

Amortization is only charged if the tangible capital asset is in use.

Liabilities

Liabilities are recorded to the extent that they represent the present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the department and its liabilities.

Canadian Public Sector Accounting Standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The department operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The areas subject to measurement uncertainty are:

- the allowance for impaired loans amounting to $75,567 (2012 - $58,117),
- the allowance for loan subsidy amounting to $35,230 (2012 - $32,161) and
- the allowance for repayment assistance amounting to $2,088 (2012 - $1,562).

The department has made certain estimates in the following areas:

- Recovery and default rates in the determination of the allowance for impaired loans.
- Student loan amortization periods in the determination of the allowance for loan subsidy.
- Future loan amounts approved for repayment assistance and loan forgiveness rates in the determination of the allowance for repayment assistance.

Changes in these estimates could materially impact the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

Note 2 **Summary of Significant Accounting Policies and Reporting Practices** (continued)

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of Cash, Accounts Receivable, Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

The fair values of Loans Receivable are not reported as there is no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Government Endowment Funds for Research and Scholarships

The Alberta Heritage Foundation for Medical Research Endowment Fund operates under the *Alberta Research and Innovation Act* for the purpose of supporting medical research. The Alberta Heritage Science and Engineering Research Endowment Fund also operates under the *Alberta Research and Innovation Act* for the purpose of supporting science and engineering research. The Alberta Heritage Scholarship Fund operates under the *Alberta Heritage Scholarship Act* for the purpose of investing the endowment funds to make income available for scholarships.

The Ministry of Treasury Board and Finance controls these endowments. However, the Department of Enterprise and Advanced Education has an economic interest in the endowments as they assist in funding department programs. Additional information on these endowments can be found in the financial statements for Alberta Treasury Board and Finance.

(in thousands)

	Net Assets			
	2013		2012	
	Value at Cost	Market Value	Value at Cost	Market Value
Alberta Heritage Foundation for Medical Research Endowment Fund	$ 1,282,905	$ 1,436,184	$ 1,255,039	$ 1,364,081
Alberta Heritage Science and Engineering Research Endowment Fund	739,740	826,309	721,177	781,845
Alberta Heritage Scholarship Fund	737,375	819,731	715,482	769,576
	$ 2,760,020	$ 3,082,224	$ 2,691,698	$ 2,915,502

Note 3 Government Reorganization and Prior Period Restatement

(in thousands)

Government Reorganization *(Effective April 1, 2012)*

As a result of cabinet restructuring on May 8, 2012 the Department of Advanced Education and Technology was restructured. Responsibility for Economic Competitiveness was transferred from the former Ministry of Treasury Board and Enterprise. Responsibility for Workforce Strategies was transferred from the Ministry of Human Services. The department was renamed as Department of Enterprise and Advanced Education.

Prior Period Restatement

Comparatives for 2012 have been restated as if the department had always been assigned with its current responsibilities.

Net assets on March 31, 2011 are made up as follows:

Net assets as previously reported by the Department of Advanced Education and Technology	$ 460,003
Transfer from the former Ministry of Treasury Board and Enterprise	(2,275)
Transfer from Ministry of Human Services	(1,243)
Net assets at March 31, 2011	$ 456,485

Note 4 Accounts Receivable

(in thousands)

	2013	2012 (Restated Note 3)
Government of Canada (1)	$ 68,105	$ 105,485
Accrued Interest Receivable on Loans	1,742	1,282
Other	1,866	2,479
	$ 71,713	$ 109,246

Accounts receivable are unsecured and non-interest bearing.

(1) $64,436 (2012 - $78,101) is represented by Payments Under Agreement. (Note 9)

Note 5 Loans Receivable

(in thousands)

	2013	2012
Loans Receivable	$ 974,055	$ 761,940
Less:		
Allowance for Loan Relief Completion Payments	—	(75,968)
Allowance for Impaired Loans	(75,567)	(58,117)
Allowance for Loan Subsidy	(35,230)	(32,161)
Allowance for Repayment Assistance	(2,088)	(1,562)
	$ 861,170	$ 594,132

Under the Alberta Student Loan Program, loans are provided by the department to qualifying students on terms prescribed by the Minister of Enterprise and Advanced Education.

Loans become payable and interest is earned starting six months after students discontinue their studies or graduate. Loans are unsecured and are repayable to a maximum term of 114 months. The interest rates on student loans are a floating rate of prime or a fixed rate of prime plus 2%.

The loan relief completion program was replaced with a completion incentive grant effective August 1, 2012. As a result, an allowance for future loan relief completion payments is no longer required. Loan relief completion payments on Alberta Student Loans were made to students who completed their studies by July 31, 2012 and assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

Loans are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

When loans are classified as impaired, interest ceases to accrue.

Loans receivable are stated at cost net of the allowance for impaired loans, the allowance for loan subsidy and the allowance for repayment assistance.

The allowance for impaired loans is a provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default and recovery rates.

The allowance for loan subsidy is a provision that reflects the future benefit provided to students. This benefit is a result of favourable loan terms where the department does not receive interest payments over the term of the loans to fully cover the department's cost of financing the loan portfolio. Changes in future year estimates are expensed and are amortized over the estimated life of the student repayment period.

The allowance for repayment assistance is a provision that estimates the amount of loans receivable that will be forgiven by the department through the repayment assistance program.

Note 6 Tangible Capital Assets

(in thousands)

	Equipment (1)	Computer Hardware and Software	Total
Estimated Useful Life	5-10 years	3-10 years	
Historical Cost (2)			
Beginning of year (Restated Note 3)	$ 193	$ 48,936	$ 49,129
Additions	66	6,492	6,558
Disposals, including Write-downs	—	(59)	(59)
	259	55,369	55,628
Accumulated Amortization			
Beginning of year (Restated Note 3)	146	24,303	24,449
Amortization expense	16	5,000	5,016
	162	29,303	29,465
Net Book Value at March 31, 2013	$ 97	$ 26,066	$ 26,163
Net Book Value at March 31, 2012 (Restated Note 3)	$ 47	$ 24,633	$ 24,680

(1) Equipment includes office equipment.

(2) Historical cost included work-in-progress at March 31, 2013 totaling $9,346 (2012 – $5,273) comprised of computer software development projects.

Note 7 Accounts Payable and Accrued Liabilities

(in thousands)

	2013	2012 (Restated Note 3)
Accounts Payable	$ 4,919	$ 4,937
Accrued Liabilities:		
Vacation	8,360	7,577
Other	18,861	5,662
Advances from Government of Canada	309	10,058
	$ 32,449	$ 28,234

Note 8 Contractual Obligations

(in thousands)

Contractual obligations are obligations of the department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2013	2012
Service Contracts	$ 17,323	$ 21,720
Capital and Operating Grants	38,522	30,635
Uncashed Student Loans	11,135	7,361
Computer Systems Development	17,846	18,273
	$ 84,826	$ 77,989

Estimated payment requirements for each of the next four years are as follows:

	Service Contracts	Capital and Operating Grants	Uncashed Student Loans	Computer Systems Development	Total
2013-14	$ 12,418	$ 22,046	$ 11,135	$ 16,806	$ 62,405
2014-15	3,144	13,956	—	700	17,800
2015-16	1,735	1,680	—	340	3,755
2016-17	26	840	—	—	866
	$ 17,323	$ 38,522	$ 11,135	$ 17,846	$ 84,826

Note 9 Payments Under Agreement

(in thousands)

The department has entered into agreements to deliver programs that are fully funded by the Government of Canada and the Provincial/Territorial (P/T) Forum of Immigration Ministers Secretariat. Costs under these agreements are incurred by the department under authority of section 25 of the *Financial Administration Act*. Accounts Receivable includes $64,436 (2012 - $78,101) and Accounts Payable and Accrued Liabilities includes $309 (2012 - $10,058) relating to payments under agreement.

Government of Canada

Net amounts paid and (payable) under agreements on behalf of the Government of Canada:

	2013	2012
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ (205)	$ (281)
Government of Canada		
Canada Study Grants	(128)	(333)
Canada Access Grants	(10)	(8)
Canada Student Grants	73,614	73,844
French Minority Language Education and French Second Language Instruction	4,504	4,226
	$ 77,775	$ 77,448

P/T Secretariat

In 2008-09, a P/T Forum of Immigration Ministers Secretariat was created with the goal of enhancing P/T alignment and collaboration on immigration and integration issues. The cost of running the Secretariat is shared among provinces/territories, with the exception of Quebec, which is a member holding observer status.

As per the Terms of Reference for the P/T Secretariat, the lead jurisdiction will be rotated every two years. Commencing April 1, 2012, Alberta will host and chair this Forum until March 31, 2014.

The budget for the Secretariat is reviewed by the leading jurisdiction and approved by all P/Ts. At the end of each term, any surplus will be transferred to the incoming lead jurisdiction.

The department is the lead jurisdiction in Alberta and had incurred $206 in expenses relating to payments under agreement.

Note 10 Benefit Plans

(in thousands)

The department participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $10,395 for the year ended March 31, 2013 (2012 - $9,015 restated). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2012, the Management Employees Pension Plan reported a deficiency of $303,423 (2011 - deficiency $517,726) and the Public Service Pension Plan reported a deficiency of $1,645,141 (2011 - deficiency $1,790,383), and the Supplementary Retirement Plan for Public Service Managers had a deficiency of $51,870 (2011 - deficiency $53,489).

The department also participates in two multi-employer Long-term Disability Income Continuance Plans. At March 31, 2013, the Bargaining Unit Plan reported an actuarial surplus of $51, 717 (2012 - surplus $9,136) and the Management, Opted Out and Excluded Plan an actuarial surplus of $18, 327 (2012 - surplus $10,454). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 11 Comparative Figures

Certain 2012 figures have been reclassified to conform to the 2013 presentation.

Note 12 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedules to the Financial Statements

Schedule 1 Revenues

(in thousands)

Year ended March 31, 2013	2013 Budget (1)	2013 Actual	2012 Actual (Restated Note 3)
Government Transfers			
Government of Alberta Transfers			
Alberta Heritage Scholarship Fund	$ 35,993	$ 37,570	$ 36,643
Alberta Heritage Science and Engineering Research Endowment Fund	42,500	42,500	41,500
Alberta Heritage Foundation for Medical Research Endowment Fund	79,050	79,050	75,950
	157,543	159,120	154,093
Federal and Other Government Grants			
Knowledge Infrastructure Program	—	—	24,420
Other	2,900	4,175	3,779
	2,900	4,175	28,199
Investment Income			
Interest on Student Loans Issued	11,500	11,073	10,250
Other	2,400	—	—
	13,900	11,073	10,250
Premiums, Fees and Licences			
Apprenticeship Services	6,000	6,642	4,789
Fees and Licences	3,045	2,940	2,761
	9,045	9,582	7,550
Other Revenue			
Refund of Expenditure	2,500	3,925	3,372
Other	2,025	1,811	1,107
	4,525	5,736	4,479
	$ 187,913	$ 189,686	$ 204,571

(1) Budget numbers have been restated to reflect the re-organization of government departments established by Orders in Council under the *Government Organization Act*, on May 8, May 24, and July 11, 2012.

Schedule 2 Credit or Recovery

(in thousands)

Year ended March 31, 2013	2013		
	Authorized	Actual	(Shortfall) / Excess
Information and Technology Management Services (1)	$ 2,025	$ 1,025	$ (1,000)
Canada Student Loan Administration (2)	2,900	3,407	507
Apprenticeship Services (3)	6,600	6,642	42
Regional Development (4)	667	667	—
Immigration Program Development Support (5)	628	628	—
	$ 12,820	$ 12,369	$ (451)

The revenue of each credit or recovery is included in the department's revenue.

(1) Revenue collected from the provision of certain information and technology management services to stakeholders on a cost-recovery basis. Element 1.4

(2) Revenue received from the Government of Canada for administering Canada Student Loans and grants to Alberta students on a cost-recovery basis. Element 2.1

(3) Fees collected for the provision of registration and assessment services to individuals seeking certification in designated trades and occupations. As well, consulting services are provided on a cost-recovery basis to other countries and jurisdictions. Apprenticeship technical training spaces in Alberta institutions are also provided on a cost-recovery basis to Yukon Territory, Northwest Territories and Nunavut. Element 4.2

(4) Funding from the Rural Alberta Development Fund to enhance services provided to entrepreneurs and small businesses through the Rural Alberta Business Centre pilot program. Element 7.5

(5) Revenue received from the Government of Canada Settlement Program to support the development of immigration web portals, resources and information to attract, inform and retain and integrate prospective immigrants and newcomers. Element 8.1

Schedule 3 Expenses – Directly Incurred Detailed by Object

(in thousands)

Year ended March 31, 2013	2013		2012
	Budget (1)	Actual	Actual
			(Restated Note 3)
Salaries, Wages and Employee Benefits	$ 95,796	$ 89,308	$ 80,293
Supplies and Services	68,341	65,472	60,231
Grants	2,841,958	2,775,954	2,891,096
Financial Transactions and Other	203	216	186
Amortization of Tangible Capital Assets	5,397	5,016	4,260
	$ 3,011,695	$ 2,935,966	$ 3,036,066

(1) Budget numbers have been restated to reflect the re-organization of government departments established by Orders in Council under the *Government Organization Act*, on May 8, May 24 and July 11, 2012.

Schedule 4 Budget

(in thousands)

Year ended March 31, 2013	2012-13 Estimate (1)	Adjustment (2)	2012-13 Budget	Supplementary Estimate (3)	2012-13 Authorized Budget
	(Restated)				
Revenues					
Government of Alberta Transfers	$ 157,543	$ —	$ 157,543	$ —	$ 157,543
Federal and Other Government Grants	2,900	628	3,528	—	3,528
Investment Income	13,900	(2,400)	11,500	—	11,500
Premiums, Fees and Licences	9,045	635	9,680	—	9,680
Other Revenue	4,525	667	5,192	—	5,192
	187,913	(470)	187,443	—	187,443
Expenses – Directly Incurred					
Programs					
Ministry Support Services	37,868	170	38,038	—	38,038
Support for Adult Learning	2,489,848	(87,370)	2,402,478	17,900	2,420,378
Post-Secondary Infrastructure	76,000	—	76,000	13,000	89,000
Apprenticeship Delivery	39,851	150	40,001	—	40,001
Research and Innovation Capacity	150,982	—	150,982	—	150,982
Technology Commercialization	123,799	—	123,799	—	123,799
Economic Competitiveness	18,832	667	19,499	—	19,499
Workforce Strategies	54,015	628	54,643	—	54,643
Alberta Centennial Education Savings Plan	20,500	(2,500)	18,000	—	18,000
Credit or Recovery (Shortfall) (Schedule 2)	—	(451)	(451)	—	(451)
	3,011,695	(88,706)	2,922,989	30,900	2,953,889
Net Operating Results	$(2,823,782)	$ 88,236	$(2,735,546)	$ (30,900)	$(2,766,446)
Capital Investment	$ 4,647	$ 2,221	$ 6,868	$ —	$ 6,868
Non-Budgetary Disbursements	$ 274,000	$ (1,451)	$ 272,549	$ 77,451	$ 350,000

(1) Estimate numbers have been restated to reflect the re-organization of government departments established by Orders in Council under the *Government Organization Act*, on May 8, May 24 and July 11, 2012.

(2) Budget adjustments were made as follows:

Revenues:

- $628 increase for the development of a provincial immigration web portal funded by the Government of Canada Settlement Program.
- $600 increase in revenue received for apprenticeship services provided for a fee.
- $667 increase in revenue for contributions from the Rural Alberta Development Fund for the Rural Alberta Business Centre Pilot program.

Expenses:

- $628, $600, $667 increases in expense offset by corresponding increases in dedicated revenue pursuant to the *Financial Administration Act* section 24(2).
- $84,600 decrease in Support for Adult Learning primarily due to a one-time reduction in 2012-13 to the loan remission allowance reported under the Provision for the Future Cost of Student Loans Issued. The remission program was replaced by completion grants and other program enhancements implemented after *Budget 2012* was tabled.
- $2,400 transfer in Support for Adult Learning operating expense to equipment and inventory purchases to address a shortfall in capital investment funding as approved by Treasury Board Committee in Third Quarter Forecast.
- $2,500 decrease in Alberta Centennial Education Savings spending due to lower than anticipated demand for this program.
- $650 decrease in amortization expense.
- $1,451 decrease in Non-Budgetary Disbursements to cover an encumbrance from higher than anticipated student loan disbursement in 2011-12.

(3) Supplementary Estimates were approved on March 21, 2013.

Schedule 5 Lapse/Encumbrance

(in thousands)

Year ended March 31, 2013		Voted Estimate (1)	Adjustments (2)	Supplementary Estimate (3)	Adjusted Voted Estimate	Actuals (4)	Unexpended (Overexpended)
Program - Operating							
1 Ministry Support Services							
1.1	Minister's Office	$ 586	$ —	$ —	$ 586	$ 623	$ (37)
1.2	Deputy Minister's Office	689	—	—	689	726	(37)
1.3	Communications	1,081	—	—	1,081	991	90
1.4	Strategic Corporate Services	32,501	—	—	32,501	29,001	3,500
1.5	Corporate Costs	2,386	—	—	2,386	2,507	(121)
		37,243	—	—	37,243	33,848	3,395
2 Support for Adult Learning							
2.1	Program Delivery Support	35,638	—	2,800	38,438	36,783	1,655
2.2	Comprehensive Academic and Research Institutions	1,170,387	—	—	1,170,387	1,168,657	1,730
2.3	Baccalaureate and Applied Studies Institutions	195,915	—	—	195,915	193,850	2,065
2.4	Comprehensive Community Institutions	410,774	—	—	410,774	407,754	3,020
2.5	Polytechnical Institutions	331,241	—	—	331,241	329,141	2,100
2.6	Specialized Arts and Culture Institutions	28,967	—	—	28,967	28,914	53
2.7	Independent Academic Institutions	24,383	—	—	24,383	24,472	(89)
2.8	Academic Health Centres	21,000	—	—	21,000	21,000	—
2.9	Campus Alberta Innovations	36,298	(2,400)	—	33,898	33,991	(93)
2.10	Inter-Jurisdiction Programs	8,343	—	—	8,343	8,723	(380)
2.11	Community Education	20,653	—	—	20,653	16,585	4,068
2.12	Other Program Support	23,606	—	—	23,606	43,772	(20,166)
2.13	Achievement Scholarships	34,950	—	—	34,950	36,240	(1,290)
2.14	Bursaries and Grants	19,500	—	15,100	34,600	29,032	5,568
		2,361,655	(2,400)	17,900	2,377,155	2,378,914	(1,759)
3 Post-Secondary Infrastructure							
3.1	Capital Expansion and Upgrading	—	—	—	—	29	(29)
3.2	Capital Maintenance and Renewal	76,000	—	13,000	89,000	75,888	13,112
		76,000	—	13,000	89,000	75,917	13,083
4 Apprenticeship Delivery							
4.1	Apprenticeship Delivery Support	31,474	—	—	31,474	33,280	(1,806)
4.2	Apprenticeship Services	6,000	600	—	6,600	6,646	(46)
		37,474	600	—	38,074	39,926	(1,852)
5 Research and Innovation Capacity							
5.1	Program Delivery Support	5,620	—	—	5,620	4,339	1,281
5.2	Research Capacity	27,333	—	—	27,333	29,905	(2,572)
5.3	Grants to Alberta Innovates – Bio Solutions	16,736	—	—	16,736	17,236	(500)
5.4	Grants to Alberta Innovates – Energy and Environment Solutions	22,100	—	—	22,100	22,100	—
5.5	Grants to Alberta Innovates – Health Solutions	79,193	—	—	79,193	79,193	—
		150,982	—	—	150,982	152,773	(1,791)
6 Technology Commercialization							
6.1	Program Delivery Support	6,403	—	—	6,403	5,702	701
6.2	Strategic Partnerships	12,042	—	—	12,042	9,524	2,518
6.3	Commercialization Capacity	4,783	—	—	4,783	2,532	2,251
6.4	Transfer to Alberta Enterprise Corporation	2,250	—	—	2,250	2,150	100
6.5	Grant to Alberta Innovates – Technology Futures	98,321	—	—	98,321	98,321	—
		123,799	—	—	123,799	118,229	5,570

Schedule 5 Lapse/Encumbrance *(continued)*

(in thousands)

Year ended March 31, 2013	Voted Estimate (1)	Adjustments (2)	Supplementary Estimate (3)	Adjusted Voted Estimate	Actuals (4)	Unexpended (Overexpended)
7 Economic Competitiveness						
7.1 Program Development and Support	3,188	—	—	3,188	4,447	(1,259)
7.2 Alberta Economic Development Authority	651	—	—	651	675	(24)
7.3 Northern Alberta Development Council	2,353	—	—	2,353	2,310	43
7.4 Industry Development	7,619	—	—	7,619	6,872	747
7.5 Regional Development	5,021	667	—	5,688	5,839	(151)
	18,832	667	—	19,499	20,143	(644)
8 Workforce Strategies						
8.1 Immigration Program Development and Support	13,774	628	—	14,402	13,812	590
8.2 Socio-Economic Statistics	929	—	—	929	872	57
8.3 Labour Force Development	38,467	—	—	38,467	36,526	1,941
8.4 Professions and Occupations	845	—	—	845	729	116
	54,015	628	—	54,643	51,939	2,704
Credit or Recovery Shortfall (Schedule 2)	—	(451)	—	(451)	—	(451)
Total	$ 2,860,000	$ (956)	$ 30,900	$ 2,889,944	$ 2,871,689	$ 18,255
Lapse/(Encumbrance)						$ 18,255
Program - Capital Investment						
1 Ministry Support Services						
1.4 Strategic Corporate Services	$ 1,217	$ (179)	$ —	$ 1,038	$ 668	$ 370
2 Support for Adult Learning						
2.1 Program Delivery Support	3,000	2,400	—	5,400	4,311	1,089
4 Apprenticeship Delivery						
4.1 Program Delivery Support	430	—	—	430	1,579	(1,149)
Total	$ 4,647	$ 2,221	$ —	$ 6,868	$ 6,558	$ 310
Lapse/(Encumbrance)						$ 310
Non-Budgetary Disbursements						
2 Support for Adult Learning						
2.16 Student Loan Servicing Cost	$ 300	$ —	$ —	$ 300	$ —	$ 300
2.17 Student Loan Disbursements	273,700	(1,451)	77,451	349,700	340,131	9,569
Total	$ 274,000	$ (1,451)	$ 77,451	$ 350,000	$ 340,131	$ 9,869
Lapse/(Encumbrance)						$ 9,869

(1) Estimate numbers have been restated to reflect the re-organization of government departments established by Orders in Council under the *Government Organization Act*, on May 8, May 24 and July 11, 2012.

(2) Budget adjustments were made as follows:

- $628, $600, $667 increases in expense offset by a corresponding increases in dedicated revenue pursuant to the *Financial Administration Act* section 24(2).
- $2,400 transfer in Support for Adult Learning operating expense to equipment and inventory purchases to address a shortfall in capital investment funding as approved by Treasury Board Committee in Third Quarter Forecast.
- $179 decrease in Equipment and Inventory Purchases to cover an encumbrance from 2011-12.
- $1,451 decrease in Non-Budgetary Disbursements to cover an encumbrance from higher than anticipated student loan disbursement in 2011-12.

(3) Supplementary Estimates were approved on March 21, 2013.

(4) Actuals exclude non-voted amounts such as Amortization, Valuation Adjustments and Statutory amounts.

Schedule 6 Comparison of Actual and Budget

(in thousands)

Year ended March 31, 2013	Estimate (1)	Actual Voted	Actual Not Voted	Actual Total	Difference
Expense by program					
Ministry Support Services	$ 37,868	$ 33,848	$ 1,632	$ 35,480	$ 2,388
Support for Adult Learning	2,489,848	2,378,914	43,070	2,421,984	67,864
Post-Secondary Infrastructure	76,000	75,917	—	75,917	83
Apprenticeship Delivery	39,851	39,926	2,257	42,183	(2,332)
Research and Innovation Capacity	150,982	152,773	—	152,773	(1,791)
Technology Commercialization	123,799	118,229	—	118,229	5,570
Economic Competitiveness	18,832	20,143	—	20,143	(1,311)
Workforce Strategies	54,015	51,939	—	51,939	2,076
Alberta Centennial Education Savings Plan	20,500	—	17,318	17,318	3,182
	$ 3,011,695	$ 2,871,689	$ 64,277	$ 2,935,966	$ 75,729
Expense by fiscal plan category					
Operating Expense	$ 2,930,298	$ 2,795,772	$ 59,261	$ 2,855,033	$ 75,265
Capital Grants and Support	76,000	75,917	—	75,917	83
Amortization of Tangible Capital Assets	5,397	—	5,016	5,016	381
	$ 3,011,695	$ 2,871,689	$ 64,277	$ 2,935,966	$ 75,729
Capital investment by program					
Ministry Support Services	$ 1,217	$ 668	$ —	$ 668	$ 549
Support for Adult Learning	3,000	4,311	—	4,311	(1,311)
Apprenticeship Delivery	430	1,579	—	1,579	(1,149)
	$ 4,647	$ 6,558	$ —	$ 6,558	$ (1,911)

(1) Estimate numbers have been restated to reflect the re-organization of government departments established by Orders in Council under the *Government Organization Act*, on May 8, May 24 and July 11, 2012.

Schedule 7 Lottery Fund Estimates

(in thousands)

Year ended March 31, 2013	2013 Lottery Fund Estimate (1)	2013 Actual	Unexpended (Overexpended)
3 Post-Secondary Infrastructure			
3.1 Capital Expansion and Upgrading	$ —	$ 29	$ (29)
3.2 Capital Maintenance and Renewal	76,000	75,888	112
	$ 76,000	$ 75,917	$ 83

(1) The revenue of the Lottery Fund is transferred to the Department of Treasury Board and Finance on behalf of the General Revenue Fund. Having been transferred to the General Revenue Fund, these monies then become part of the department's supply vote. This table shows details of the initiatives within the department that are funded by the Lottery Fund and compares it to the actual results.

Schedule 8 Salary and Benefits Disclosure

Year ended March 31, 2013	2013				2012
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total (Restated Note 3)
Deputy Minister (4) (5)	$ 284,242	$ 920	$ 82,890	$ 368,052	$ 343,922
Executives:					
Advanced Learning and Community Partnerships (5)	188,826	—	55,001	243,827	238,842
Apprenticeship and Student Aid (6)	178,226	—	50,372	228,598	266,405
Research and Innovation (7)	15,520	31,565	3,979	51,064	238,717
Advanced Technology Industries	192,152	14,781	55,928	262,861	238,542
International Partnerships (8)	42,136	—	14,367	56,503	—
Economic Competitiveness	180,163	—	51,049	231,212	231,309
Workforce Strategies	181,933	—	52,619	234,552	217,000
Senior Financial Officer	130,148	—	34,484	164,632	199,353
Human Resources Executive Director	150,977	—	41,380	192,357	180,236
Chief Information Officer, Information and Technology Management (9)	157,305	—	43,571	200,876	—

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2013.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, health spending account, dental coverage, group life insurance, short and long term disability plans, WCB premiums (estimated), learning account items, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other-cash benefits.

(5) The position was occupied by two individuals at different times during the year.

(6) Includes vacation payout of $26,192 in 2012.

(7) The position was discontinued in September 2012 and was occupied in the first two months in fiscal year 2013.

(8) The position was created in September 2012 but was occupied starting January 2013.

(9) The position was not part of Executive Committee in fiscal year 2012, therefore no comparatives disclosed.

Schedule 9 Related Party Transactions

(in thousands)

Year ended March 31, 2013

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Department had the following transactions with related parties which are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities Outside the Ministry	
	2013	2012 (Restated Note 3)	2013	2012 (Restated Note 3)
Revenues				
Grants	$ —	$ —	$ 159,120	$ 154,093
Other	2,337	2,281	—	—
	$ 2,337	$ 2,281	$ 159,120	$ 154,093
Expenses – Directly Incurred				
Grants	$ 2,561,391	$ 2,645,214	$ 748	$ 850
Other Services	2,938	3,539	5,810	5,003
	$ 2,564,329	$ 2,648,753	$ 6,558	$ 5,853
Receivables from	$ 354	$ 1,220	$ —	$ —
Payables to	$ 8,736	$ 260	$ —	$ 138
Contractual Obligations	$ 49,082	$ 31,684	$ —	$ 25

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation, Legal and Shared Services expenses incurred by others are disclosed in Schedule 10.

	2013	2012 (Restated Note 3)
Expenses – Incurred by Others		
Accommodation	$ 8,084	$ 8,509
Legal	743	851
Shared Services	5,331	4,319
Air Transportation Services	133	115
Internal Audit	280	151
GOA Learning Centre	54	40
	$ 14,625	$ 13,985

Schedule 10 Allocated Costs

(in thousands)

Year ended March 31, 2013	2013					2012
		Expenses – Incurred by Others				
	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Shared Services	Total Expenses	Total Expenses (Restated Note 3)
Program						
Ministry Support Services	$ 35,480	$ 1,078	$ 329	$ 5,331	$ 42,218	$ 35,668
Support for Adult Learning	2,421,983	2,016	65	—	2,424,064	2,362,361
Post-Secondary Infrastructure	75,917	—	—	—	75,917	255,602
Apprenticeship Delivery	42,184	2,193	96	—	44,473	36,434
Research and Innovation Capacity	152,773	307	102	—	153,182	148,698
Technology Commercialization	118,229	372	94	—	118,695	119,989
Economic Competitiveness	20,143	818	57	—	21,018	20,384
Workforce Strategies	51,939	1,300	—	—	53,239	52,909
Alberta Centennial Education Savings Plan	17,318	—	—	—	17,318	17,713
	$ 2,935,966	$ 8,084	$ 743	$ 5,331	$ 2,950,124	$ 3,049,758

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodations are allocated based on proportion of full-time-equivalent staff.

(3) Costs shown for Legal Services are allocated by estimated costs incurred by each program.

Schedule 11 Funding Provided to Post-Secondary Institutions and Research Entities

(in thousands)

Year ended March 31, 2013

		Operating Grants (1)		Grants for Infrastructure	
		2013	2012 (Restated Note 3)	2013	2012
Post-Secondary Institutions					
Comprehensive Academic and Research Institutions	Athabasca University	$ 41,433	$ 39,741	$ 3,024	$ 5,020
	University of Alberta	643,545	611,592	25,612	49,463
	University of Calgary	475,595	461,203	15,907	63,384
	University of Lethbridge	102,412	102,028	1,823	11,547
Baccalaureate and Applied Studies Institutions	Grant MacEwan University	107,829	105,805	3,464	3,503
	Mount Royal University	91,882	87,268	3,280	3,316
Polytechnical Institutions	Northern Alberta Institute of Technology	178,046	170,066	4,778	8,831
	Southern Alberta Institute of Technology	158,787	151,620	2,644	56,488
Comprehensive Community Institutions	Bow Valley College	41,704	40,634	437	20,873
	Grande Prairie Regional College	46,530	44,097	1,963	4,585
	Keyano College	41,923	39,516	1,491	5,057
	Lakeland College	35,857	38,489	1,532	1,999
	Lethbridge College	46,848	44,841	854	5,107
	Medicine Hat College	33,278	31,517	1,215	2,459
	NorQuest College	45,977	46,171	765	1,774
	Northern Lakes College	31,860	29,504	857	867
	Olds College	29,826	28,419	1,680	2,473
	Portage College	23,774	22,871	716	1,174
	Red Deer College	53,027	51,864	1,381	4,641
Specialized Arts and Culture Institutions	Alberta College of Art + Design	12,599	12,390	274	798
	The Banff Centre	16,444	16,119	1,499	1,516
Total Public Post-Secondary Institutions		2,259,176	2,175,755	75,196	254,875
Independent Academic Institutions	Ambrose University College	2,588	2,528	—	—
	Canadian University College	2,930	2,906	—	—
	Concordia University College of Alberta	11,815	11,577	—	—
	St. Mary's University College	2,921	2,876	—	—
	The King's University College	4,363	4,266	—	—
Private Vocational Schools	Columbia College	94	217	—	—
Other Colleges	Yellowhead Tribal College	449	136	—	—
	Blue Quills First Nations College	150	393	—	—
	Maskwachees Cultural College	474	93	—	—
	Mikai Sto Foundation	243	—	—	—
	Nechi Training, Research and Health Promotions Institute	—	115	—	—
	Red Crow Community College	—	200	—	—
	Old Sun Community College	592	676	—	—
Total Funding Provided to Institutions		2,285,795	2,201,738	75,196	254,875
Research Entities	Alberta Innovates – Energy and Environment Solutions	22,193	19,725	—	—
	Alberta Innovates – Bio Solutions	20,236	15,567	—	—
	Alberta Innovates – Health Solutions	79,943	76,450	—	—
	Alberta Innovates – Technology Futures	102,501	101,083	—	—
Total Funding Provided to Research Entities		224,873	212,825	—	—
Total Funding Provided to Post-Secondary Institutions and Research Entities		$ 2,510,668	$ 2,414,563	$ 75,196	$ 254,875

(1) Includes funding to these entities from all department programs.

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Access to the Future Fund

Financial Statements

March 31, 2013

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AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Minister of Enterprise and Advanced Education

Report on the Financial Statements

I have audited the accompanying financial statements of the Access to the Future Fund, which comprise the statement of financial position as at March 31, 2013, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Access to the Future Fund as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

June 7, 2013
Edmonton, Alberta

Statement of Operations

for the year ended March 31, 2013 *(in thousands)*

	2013 Budget	2013 Actuals	2012 Actuals
Revenues			
Government Transfers			
Government of Alberta Grants	$ 50,997	$ 51,245	$ 49,656
Investment Income	918	819	204
	51,915	52,064	49,860
Expenses (Note 1)	—	—	—
Net Operating Results	$ 51,915	$ 52,064	$ 49,860

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

as at March 31, 2013 *(in thousands)*

	2013	2012
Assets		
Cash and Cash Equivalents (Note 4)	$ 117,672	$ 65,608
	$ 117,672	$ 65,608
Net Assets		
Net Assets at Beginning of Year	65,608	15,748
Net Operating Results	52,064	49,860
Net Assets at End of Year	117,672	65,608
	$ 117,672	$ 65,608

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2013 *(in thousands)*

	2013	2012
Operating Transactions		
Net Operating Results	$ 52,064	$ 49,860
Decrease in Accounts Payable and Accrued Liabilities	—	(1,559)
Cash Generated from Operating Transactions	52,064	48,301
Increase in Cash and Cash Equivalents	52,064	48,301
Cash and Cash Equivalents, Beginning of Year	65,608	17,307
Cash and Cash Equivalents, End of Year	$ 117,672	$ 65,608

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2013

Note 1 Authority and Purpose

The Access to the Future Fund (the Fund) operates under the authority of the *Access to the Future Act*.

Generally, the purpose of the Fund is to support innovation and excellence by enhancing and expanding opportunities for Albertans to participate in accessible, affordable and high-quality advanced education opportunities. The Fund provides matching payments to stimulate donations for post-secondary institutions and apprenticeship scholarships. In Budget 2011, payments from the Fund were suspended for 2011-12 and 2012-13. In Budget 2013, payments from the Fund have been suspended for another three years while the program undergoes review.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Access to the Future Fund, which is part of the Ministry of Enterprise and Advanced Education and for which the Minister of Enterprise and Advanced Education is accountable. Other entities accountable to the Minister are the Department of Enterprise and Advanced Education, Alberta Enterprise Corporation, Alberta Innovates corporations, and the public post-secondary institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenue Accounting Policy

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year-end is recorded as deferred revenue.

Government Transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers. The Fund adopted PS 3410 – Government Transfers effective April 1, 2012. There was no impact to the Fund.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the department's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the department complies with its communicated use of the transfer.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the department is eligible to receive the funds.

Expenses

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Fund are limited to cash transferred or interest receivable from the General Revenue Fund of the Province of Alberta (General Revenue Fund).

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Note 2 *Summary of Significant Accounting Policies and Reporting Practices (continued)*

Net Assets / Net Liabilities

Net assets/net liabilities represent the difference between the carrying value of assets held by the Fund and its liabilities.

Canadian public sector accounting standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Fund operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Note 3 *Advanced Education Endowment*

(in thousands)

The Advanced Education Endowment (the Endowment) is an account within the Alberta Heritage Savings Trust Fund that was established by the *Access to the Future Act*. As per section 4(7) of the *Access to the Future Act*, an amount equal to 4.5% of the total amount allocated to the Endowment shall be paid annually from the General Revenue Fund to the Fund.

The Endowment is inflation-proofed in accordance with section 4(6) of the *Access to the Future Act* and section 11 of the *Alberta Heritage Savings Trust Fund Act*. The amount of funding allocated to the Endowment for inflation proofing is an estimate and the actual amount may not be known until after the finalization of the Alberta Heritage Savings Trust Fund financial statements. There was no change to the 2012 estimate.

	2013	2012
Opening balance	$ 1,138,788	$ 1,103,477
Inflation proofing	12,527	35,311
Closing balance	$ 1,151,315	$ 1,138,788

Note 4 *Cash and Cash Equivalent*

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2013, securities held by the Fund have a time-weighted rate of return of 1.3% per annum (2012: 1.3% per annum).

Note 5 *Related Party Transactions*

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include the Department.

The Fund received a government transfer of $51,245 (2012 - $49,656) from the Department of Treasury Board and Finance. The amount of consideration was agreed upon between the related parties.

Note 6 *Approval of Financial Statements*

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

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Alberta Enterprise Corporation

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2 Board/Executive Compensation

3 Related Party Transactions

AUDITOR GENERAL *Alberta*

Independent Auditor's Report

To the Board of Directors of Alberta Enterprise Corporation

Report on the Financial Statements

I have audited the accompanying financial statements of Alberta Enterprise Corporation, which comprise the statement of financial position as at March 31, 2013, and the statements of operations, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Enterprise Corporation as at March 31, 2013, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Merwan N. Saher, FCA
Auditor General

May 23, 2013
Edmonton, Alberta

Statement of Financial Position

as at March 31, 2013 *(in thousands)*

	2013	2012
Assets		
Cash (Note 3)	$ 62,926	$ 90,333
Accounts Receivable	—	34
Investments (Note 4)	35,699	9,880
	$ 98,625	$ 100,247
Liabilities		
Accounts Payable and Accrued Liabilities	$ 160	$ 364
	160	364
Net Assets		
Accumulated Surplus	95,481	97,217
Accumulated Remeasurement Gains	2,984	2,666
	98,465	99,883
	$ 98,625	$ 100,247

Contractual Obligations (Note 6)

The accompanying notes and schedules are part of these financial statements.

Approved by the Board of Directors

original signed by
Paul Haggis
Chair, Board of Directors,
Audit Committee Chair

original signed by
Barry Heck
Chief Executive Officer (Interim),
Vice Chair, Board of Directors

Statement of Operations

for the year ended March 31, 2013 *(in thousands)*

	2013		2012
	Budget	Actuals	Actuals
Revenues			
Grant from Government of Alberta	$ 2,250	$ 2,150	$ 1,587
Other Revenue	—	27	—
	2,250	2,177	1,587
Expenses - Directly Incurred (Schedule 1)			
Operating Costs	2,250	2,081	1,778
	2,250	2,081	1,778
Net Operating Results	—	96	(191)
Realized Loss on Investments (Note 4)	—	(1,832)	(1,043)
Net Loss	$ —	(1,736)	(1,234)
Accumulated Surplus, Beginning of Year		97,217	98,451
Accumulated Surplus, End of Year		$ 95,481	$ 97,217

The accompanying notes and schedules are part of these financial statements.

Statement of Remeasurement Gains and Losses

for the year ended March 31, 2013 *(in thousands)*

	2013	2012
Accumulated Remeasurement Gains at Beginning of Year	$ 2,666	$ 770
Unrealized Gain Attributed to:		
Investments	184	1,794
Foreign Exchange	134	102
Net Remeasurement Gains for the Year	318	1,896
Accumulated Remeasurement Gains at End of Year	$ 2,984	$ 2,666

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

for the year ended March 31, 2013 *(in thousands)*

	2013	2012
Operating Transactions		
Net Operating Results	$ 96	$ (191)
Decrease (Increase) in Accounts Receivable	34	(13)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(204)	336
Cash (Applied to) Provided by Operating Transactions	(74)	132
Investing Transactions		
Purchase of Investments	(27,333)	(3,448)
Cash Applied to Investing Transactions	(27,333)	(3,448)
Decrease in Cash	(27,407)	(3,316)
Cash, Beginning of Year	90,333	93,649
Cash, End of Year	$ 62,926	$ 90,333

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2013

Note 1 Authority and Purpose

The Alberta Enterprise Corporation (the Corporation) is a Provincial Corporation that operates under the authority of the *Alberta Enterprise Corporation Act*.

The Alberta Enterprise Corporation was established on December 5, 2008 and is part of a strategy to encourage technology commercialization and promote growth in Alberta's venture capital industry.

The Corporation is exempt from Canadian federal and Alberta provincial income taxes.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

(in thousands)

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Corporation, which is part of the Ministry of Enterprise and Advanced Education and for which the Minister of Enterprise and Advanced Education is accountable. Other entities accountable to the Minister are the Department of Enterprise and Advanced Education, Access to the Future Fund, Alberta Innovates Corporations, and the Public Post-Secondary Institutions. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenue Accounting Policy

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year-end is recorded as deferred revenue.

Government Transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the Corporation complies with its communicated use of the transfer.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the Corporation is eligible to receive the funds.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Corporation has primary responsibility and accountability for, as reflected in the government's budget documents. Expenses primarily include supplies and services and payments to consultants.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Cash is the financial asset of the Corporation. The Corporation does not take out loans or issue equity.

(c) Financial Instruments

Accounting Standard for Investments

The Corporation records investments in accordance with Public Sector Accounting Board (PSAB) Standard PS 3450 – Financial Instruments and PS 2601- Foreign Currency Translation.

Note 2 ***Summary of Significant Accounting Policies and Reporting Practices*** *(continued)* *(in thousands)*

The Corporation records investments in Limited Partnerships on a fair value basis. Fair value is determined by the Limited Partnerships based upon valuation techniques considered appropriate by the Corporation and may include techniques such as discounted cash flows, prevailing market values for instruments with similar characteristics and other pricing models as appropriate. The Corporation relies upon the audited financial statements of the Limited Partnerships when valuing the Corporation's investments.

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

Unrealized gains and losses due to changes in the fair value of investments in Limited Partnerships, and the fluctuations in foreign currency rates are recorded in Statement of Remeasurement Gains and Losses.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Corporation. The Corporation considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Corporation's perceived risk of that investment.

The Corporation's investments have all been classified within level 3 as the fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. When observable prices are not available for these securities, the Limited Partnerships use one or more valuation techniques (e.g. the market approach, the income approach) for which sufficient and reliable data is available. Within level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of the estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

As quoted market prices are not readily available for private investments, estimated fair values may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Corporation and its liabilities.

Canadian Public Sector Accounting Standards require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Corporation operates within the government reporting entity, and does not finance any of its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Investments recorded at $35,699 in the financial statements are subject to measurement uncertainty.

Measurement uncertainty exists with the determination of the fair value of the investments. The fair value of the investments are estimated by the General Partner of each fund. The process of valuing investments for which no published market exists is inevitably based on inherent uncertainties and the resulting values may differ from value that would have been used had a ready market existed for the investments.

Note 2 ***Summary of Significant Accounting Policies and Reporting Practices*** *(continued)* *(in thousands)*

Risks

The Corporation is subject to market and liquidity risk with respect to its investment portfolio.

Market Risk

Market risk encompasses the potential for both losses and gains, and includes price risk and foreign currency risk. Price risk is the risk of a potential decline in the price of an investment or an asset. Foreign currency risk is the risk that the value of an investment is affected by changes in exchange rates.

The Corporation's price risk is driven primarily by volatility in its venture capital investments. The Corporation generally invests in Limited Partnerships in the initial stages of development. Because of the inherent uncertainty of valuations, estimated fair values may differ significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material.

The value of the Corporation's investments in Limited Partnerships denominated in foreign currencies may change due to changes in exchange rates.

If the value of the Canadian dollar increased by 10% against the U.S. Dollar, and all other variables are held constant, the potential loss in fair value to the Corporation would be approximately 3.5% of total investments (2012: 6.9%).

Liquidity Risk

Liquidity risk is the risk that a given investment or asset cannot be traded quickly enough in the market without incurring a loss.

The Corporation's investments are long term and highly illiquid. There is no assurance that the Corporation will ultimately realize the carrying value of the investments.

To manage these risks, the Corporation has established policies around the type of Limited Partnerships that it invests in. In addition, each Limited Partnership has established a target mix of investment types designed to achieve the optimal returns within reasonable risk tolerance and in accordance with the Limited Partnership's investment mandate. The Corporation does not participate in any foreign currency hedging activities.

The Corporation is not exposed to significant credit or interest risk. The Corporation financial assets and liabilities are generally classified and measured as follows:

Financial Statement Component	Measurement
Cash	Fair Value
Investments	Fair Value
Accounts Payable and Accrued Liabilities	Cost or Amortized Cost

(d) Foreign Currency Translation

Financial assets and liabilities recorded in foreign currencies are translated to Canadian dollars at the year-end exchange rate.

Revenues and expenses are translated at the average exchange rate for the year. Unrealized gains and losses due to foreign currency fluctuations are recorded in the Statement of Remeasurement Gains and Losses.

(e) Change in Accounting Policy

Effective April 1, 2012, the Corporation adopted PS 3410 Government Transfers. This section deals with how to account for and report government transfers. There was no impact on the Corporation as a result of the adoption of this section.

Note 3 ## *Cash* *(in thousands)*

Cash in the amount of $ 62,926 (2012 - $ 90,333) includes deposits in the Consolidated Cash Investment Trust Fund (CCITF). The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2013, securities held by the Corporation had a time weighted return of 1.2 % per annum (2012 - 1.3% per annum). Due to the short term nature of the CCITF investments, the carrying value approximates fair value. Interest earned is returned directly to the General Revenue Fund of the Government of Alberta.

As at March 31, 2013, the Corporation has $62,926 (2012 - $90,333) in Cash, of which $53,384 has been committed for partnership capital contributions.

Note 4 Investments

(in thousands)

The Government of Alberta has allocated $100,000 to the Corporation for investments in Limited Partnerships that provide venture capital in knowledge-based industries.

The Corporation is a Limited Partner in eight (2012 - four) Limited Partnerships and $90,624 (2012 - $53,973) has been committed to these Limited Partnerships. Committed funds are paid into the Limited Partnership in amounts and at times determined by the General Partner in order to meet the Limited Partnership's funding requirements. The Corporation's disbursements to date and commitments are as follows:

	Chrysalix Energy III Fund [a]	Yaletown Ventures II	iNovia Fund III	Enertech Capital Partners IV [a]	Azure Capital Partners III [a]	32 Degrees D.E. Fund II (S&T AIV) LP	Avrio Ventures II	Accelerate Fund	2013 Total	2012 Total
Funds disbursed to partnership for:										
Investments [b]	$ 7,300	$ 6,580	$ 2,100	$ 2,892	$ 2,684	$ 3,990	$ 1,694	$ 10,000	$ 37,240	$ 9,882
Remaining Commitment	7,934	7,420	7,900	12,342	7,472	6,010	4,306	—	53,384	44,091
Total Funding Committed	$ 15,234	$ 14,000	$ 10,000	$ 15,234	$ 10,156	$ 10,000	$ 6,000	$ 10,000	$ 90,624	$ 53,973

(a) Commitments are payable in US dollars. Amounts above are based upon exchange rate on March 31, 2013.

(b) Investments include management fees which are drawn down from the committed capital. These fees are part of the Corporation's capital investment in the Limited Partnerships.

The Corporation's investments in Limited Partnerships are recorded on a fair value basis and include unrealized gains or losses, which are reflected in the Statement of Remeasurement Gains and Losses. The Corporation's share in each Limited Partnership includes contributions to the Limited Partnerships for investments. It also includes a share of gains or losses of the Limited Partnerships based as set out in the individual Limited Partnership agreements.

The Corporation's investment in Limited Partnerships is as follows:

	2013		2012	
	Investments at Fair Value	Percentage Investment in Partnership	Investments at Fair Value	Percentage Investment in Partnership
Chrysalix Energy III Fund	$ 7,845	10.32%	$ 6,858	10.32%
Yaletown Ventures II	5,715	15.58%	2,391	15.65%
iNovia Fund III	2,247	9.04%	631	9.17%
Enertech Capital Partners IV	2,346	28.53%	—	—
Azure Capital Partners III	2,403	12.42%	—	—
32 Degrees D.E. Fund II (S&T AIV) LP	3,733	99.99%	—	—
Avrio Ventures II	1,582	6.56%	—	—
Accelerate Fund	9,828	99.99%	—	—
Total	$ 35,699		$ 9,880	

Note 4 **Investments** (continued) *(in thousands)*

The change in fair values of the investments in Limited Partnerships since April 1, 2012 are as follows:

	Chrysalix Energy III Fund	Yaletown Ventures II (b)	iNovia Fund III	Enertech Capital Partners IV	Azure Capital Partners III	32 Degrees D.E. Fund II (S&T AIV) LP	Avrio Ventures II	Accelerate Fund	2013 Total	2012 Total
Investment in Partnership, Beginning of Year	$ 6,858	$ 2,391	$ 631	$ —	$ —	$ —	$ —	$ —	$ 9,880	$ 5,579
Funds disbursed to Partnership for Investments (a)	1,568	3,080	1,425	2,892	2,684	3,990	1,694	10,000	27,333	3,448
Remeasurement Gains (Losses)	(439)	168	251	(5)	271	—	72	—	318	1,896
Realized Gains (Losses) on Investments	(142)	76	(60)	(541)	(552)	(257)	(184)	(172)	(1,832)	(1,043)
Investment in Partnership, End of Year	$ 7,845	$ 5,715	$ 2,247	$ 2,346	$ 2,403	$ 3,733	$ 1,582	$ 9,828	$ 35,699	$ 9,880
Cost of Partnership Investment	$ 7,300	$ 6,580	$ 2,075	$ 2,892	$ 2,684	$ 3,990	$ 1,694	$ 10,000	$ 37,215	$ 9,882

(a) Amounts include management fees paid by Limited Partnerships to General Partners. Management fees are recovered from the Corporation as part of capital in accordance with the Limited Partnership agreements.

(b) Realized Gains (Losses) on Investments includes $355 realized gains due to allocation of contributed surplus from a partner that defaulted on cash calls during the year.

Note 5 Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of Cash, and Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Note 6 Contractual Obligations *(in thousands)*

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts are met. The Corporation has committed funds to be paid into limited partnerships. The details of the commitments are listed in Note 4.

	2013	2012
Obligations under Operating Leases	$ 525	$ 599
Obligations under Service Contracts	1,022	3,244
	$ 1,547	$ 3,843

	Operating Leases	Service Contracts	Total
2013-14	$ 76	$ 521	$ 597
2014-15	78	501	579
2015-16	78	—	78
2016-17	78	—	78
2017-18	78	—	78
Thereafter	137	—	137
	$ 525	$ 1,022	$ 1,547

Note 7 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

Schedules to the Financial Statements

for the year ended March 31, 2013

Schedule 1 Expenses Directly Incurred Detailed by Object

(in thousands)

	2013 Budget	2013 Actual	2012 Actual
Grants and Sponsorships	$ 257	$ 272	$ 93
Payments to Consultants and Benefits	1,206	905	929
Supplies and Services	787	904	756
	$ 2,250	$ 2,081	$ 1,778

Schedule 2 Board/Executive Compensation

	2013 Compensation (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	2013 Total	2012 Total
Chair of the Board	$ —	$ 48,400	$ 2,233	$ 50,633	$ 48,835
Board Members (four)	—	70,217	3,288	73,505	87,536
Executives:					
Chief Executive Officer (4)	225,172	—	—	225,172	360,000
Director, Investments	140,416	15,000	—	155,416	137,150
Director, Investments	171,500	15,000	—	186,500	113,333
Director, Industry Development (5)	92,109	—	—	92,109	142,375

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base compensation is established through contractual agreements.

(2) Other Cash Benefits for Board members include honoraria payments and per diem allowances. Other cash benefits for Executives are discretionary amounts to be paid on achieving certain milestones, requiring CEO approval.

(3) Other Non-cash Benefits for Board members includes Canada Pension Plan payments. No non-cash benefits provided to Executives.

(4) This position was occupied by two individuals at different times during the year.

(5) This position was occupied until November 2012.

Schedule 3 Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta's financial statements. Related parties also include management of the Corporation.

Entities in the Ministry refers to entities consolidated in the Ministry of Enterprise and Advanced Education. Other entities outside of the Ministry relate to the remaining entities consolidated at the Provincial level.

The Corporation had the following transactions with related parties which are recorded in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry 2013	Entities in the Ministry 2012	Other Entities Outside of the Ministry 2013	Other Entities Outside of the Ministry 2012
Revenues				
Grants	$ 2,150	$ 1,587	$ —	$ —
Expenses – Directly Incurred				
Other Services	$ 42	$ 41	$ 62	$ 60
Payables to	$ 3	$ 160	$ —	$ —

The Corporation receives financial services, such as financial reporting and transaction processing, from the Department of Enterprise and Advanced Education at no charge.

Summary Subsidiary Financial Statements

Unaudited Information

Alberta Innovates Corporations

Public Post-Secondary Institutions

- Comprehensive Academic and Research Institutions
- Baccalaureate and Applied Studies Institutions
- Polytechnical Institutions
- Comprehensive Community Institutions
- Specialized Arts and Culture Institutions

Alberta Innovates Corporations

Summary Financial Statements (1)

for March 31, 2013 *(in thousands)*

	Alberta Innovates – Bio Solutions	Alberta Innovates – Energy and Environment Solutions	Alberta Innovates – Health Solutions	Alberta Innovates – Technology Futures	2013 Totals	2012 Totals (4) (Restated)
Statement of Financial Position						
Assets						
Cash and Cash Equivalents	$ 19,619	$ 41,347	$ 45,275	$ 54,491	$ 160,732	$ 119,107
Account Receivable and Other Assets	517	563	3,993	20,351	25,424	22,967
Capital Assets	—	72	1,088	29,253	30,413	26,776
	$ 20,136	$ 41,982	$ 50,356	$ 104,095	$ 216,569	$ 168,850
Liabilities						
Account Payable and Accrued Liabilities	$ 795	$ 3,230	$ 1,766	$ 24,017	$ 29,808	$ 37,091
Deferred Revenue	6,886	12,177	10,225	32,270	61,558	32,936
Accrued Retirement Allowance	—	—	428	—	428	1,369
	7,681	15,407	12,419	56,287	91,794	71,396
Net Assets	12,455	26,575	37,937	47,808	124,775	97,454
	$ 20,136	$ 41,982	$ 50,356	$ 104,095	$ 216,569	$ 168,850
Statement of Operations						
Revenue	$ 20,104	$ 24,697	$ 89,439	$ 159,184	$ 293,424	$ 304,122
Expenses	16,633	18,960	75,875	154,635	266,103	277,010
Net Operating Results	$ 3,471	$ 5,737	$ 13,564	$ 4,549	$ 27,321	$ 27,112
Statement of Changes in Financial Position						
Cash and Cash Equivalents, Beginning of Year	$ 13,262	$ 35,275	$ 35,481	$ 35,089	$ 119,107	$ 92,746
Cash Provided from Operating Transactions	6,357	6,102	10,419	26,737	49,615	32,984
Cash Used by Organizational Transactions	—	(30)	(625)	(7,335)	(7,990)	(6,623)
Cash and Cash Equivalents, End of Year	$ 19,619	$ 41,347	$ 45,275	$ 54,491	$ 160,732	$ 119,107
Salary and Benefits of CEO Positions						
Base Salary	$ 239	$ 250	$ 319	$ 344		
Other Cash Benefits (2)	7	7	—	61		
Non-Cash Benefits (3)	76	76	61	19		
	$ 322	$ 333	$ 380	$ 424		

(1) Financial statements for these entities are prepared in accordance with Canadian Public Sector Accounting Standards. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include housing allowances, relocation benefits and lump sum payments.

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) The prior year amounts were restated due to the correction of a prior period error in Energy and Environment Solutions financial statements affecting expenses.

Comprehensive Academic and Research Institutions

Summary Financial Statements (1)

for March 31, 2013 *(in thousands)*

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2013 Totals	2012 Totals
Statement of Financial Position						
Assets						
Cash and Cash Equivalents	$ 17,156	$ 399,399	$ 18,662	$ 2,915	$ 438,132	$ 458,479
Investments	1,696,984	1,126,510	160,198	37,569	3,021,261	2,819,002
Account Receivable	122,722	100,197	8,692	1,796	233,407	258,564
Inventories and Prepaid Expenses	13,005	28,007	2,560	5,355	48,927	50,433
Capital Assets	2,730,905	1,569,422	301,736	58,206	4,660,269	4,605,475
Investment in Government Business Enterprises	—	1,205	—	—	1,205	3,762
	$ 4,580,772	$ 3,224,740	$ 491,848	$ 105,841	$ 8,403,201	$ 8,195,715
Liabilities						
Account Payable and Accrued Liabilities	$ 194,549	$ 122,070	$ 13,708	$ 11,682	$ 342,009	$ 369,491
Employee Future Benefit Liabilities	239,695	131,407	42,120	21,554	434,776	415,680
Debt	175,822	156,446	10,052	—	342,320	354,885
Deferred Revenue	2,689,914	1,771,421	241,109	71,638	4,774,082	4,843,819
	3,299,980	2,181,344	306,989	104,874	5,893,187	5,983,875
Net Assets	1,280,792	1,043,396	184,859	967	2,510,014	2,211,840
	$ 4,580,772	$ 3,224,740	$ 491,848	$ 105,841	$ 8,403,201	$ 8,195,715
Statement of Operations						
Revenue	$ 1,727,799	$ 1,191,091	$ 198,049	$ 132,552	$ 3,249,491	$ 3,138,742
Expenses	1,702,387	1,096,616	196,775	131,800	3,127,578	3,022,305
Net Operating Results	$ 25,412	$ 94,475	$ 1,274	$ 752	$ 121,913	$ 116,437
Statement of Changes in Financial Position						
Cash and Cash Equivalents, Beginning of Year	$ 20,925	$ 382,746	$ 49,666	$ 5,142	$ 458,479	$ 595,689
Cash Provided from Operating Transactions	137,491	199,989	14,349	2,122	353,951	397,768
Cash Used by Organizational Transactions	(141,260)	(183,336)	(45,353)	(4,349)	(374,298)	(534,978)
Cash and Cash Equivalents, End of Year	$ 17,156	$ 399,399	$ 18,662	$ 2,915	$ 438,132	$ 458,479
Salary and Benefits of President Positions						
Base Salary	$ 529	$ 454	$ 365	$ 390		
Other Cash Benefits (2)	—	103	55	38		
Non-Cash Benefits (3)	643	279	169	129		
	$ 1,172	$ 836	$ 589	$ 557		

(1) Commencing April 1, 2012, the universities adopted Canadian Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board to prepare their financial statements. In accordance with PSA Handbook Section 2125 (First-time Adoption), the date of transition to PSAS is April 1, 2011. Therefore the adoption of PSAS has been applied retroactively from the date of transition resulting in the restatement of prior year amounts. Full audited financial statements for these entities are available on their websites.

(2) Other Cash Benefits include housing allowances, relocation benefits and lump sum payments.

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Baccalaureate and Applied Studies Institutions

Summary Financial Statements (1)

for June 30, 2012 *(in thousands)*

	Grant MacEwan University	Mount Royal University	2012 Totals	2011 Totals (4) (Restated)
Statement of Financial Position				
Current Assets	$ 92,383	$ 34,289	$ 126,672	$ 149,877
Long-Term Assets	348,815	337,996	686,811	683,234
	$ 441,198	$ 372,285	$ 813,483	$ 833,111
Current Liabilities	$ 52,918	$ 46,226	$ 99,144	$ 103,921
Long-Term Liabilities	187,336	238,322	425,658	437,135
	240,254	284,548	524,802	541,056
Net Assets	200,944	87,737	288,681	292,055
	$ 441,198	$ 372,285	$ 813,483	$ 833,111
Statement of Operations				
Revenue	$ 222,134	$ 208,210	$ 430,344	$ 432,955
Expenses	222,394	213,899	436,293	418,393
Net Operating Results	$ (260)	$ (5,689)	$ (5,949)	$ 14,562
Statement of Changes in Financial Position				
Cash and Cash Equivalents, Beginning of Year	$ 59,123	$ 45,062	$ 104,185	$ 136,164
Cash Provided from (Used in) Operating Transactions	(24,593)	(740)	(25,333)	33,994
Cash Used by Organizational Transactions	(14,194)	(16,530)	(30,724)	(65,973)
Cash and Cash Equivalents, End of Year	$ 20,336	$ 27,792	$ 48,128	$ 104,185
Salary and Benefits of President Positions				
Base Salary	$ 301	$ 219		
Other Cash Benefits (2)	11	48		
Non-Cash Benefits (3)	55	95		
	$ 367	$ 362		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Other Cash Benefits include housing allowances, relocation benefits and lump sum payments.

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) The prior year amounts were restated due to an accounting policy change in Mount Royal University financial statements.

Polytechnical Institutions

Summary Financial Statements (1)

for June 30, 2012 *(in thousands)*

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2012 Totals	2011 Totals (4) (Restated)
Statement of Financial Position				
Current Assets	$ 29,351	$ 249,785	$ 279,136	$ 313,436
Long-Term Assets	486,231	720,812	1,207,043	1,063,809
	$ 515,582	$ 970,597	$ 1,486,179	$ 1,377,245
Current Liabilities	$ 81,206	$ 119,169	$ 200,375	$ 172,311
Long-Term Liabilities	204,460	637,173	841,633	783,013
	285,666	756,342	1,042,008	955,324
Net Assets	229,916	214,255	444,171	421,921
	$ 515,582	$ 970,597	$ 1,486,179	$ 1,377,245
Statement of Operations				
Revenue	$ 314,838	$ 292,975	$ 607,813	$ 601,086
Expenses	302,601	282,713	585,314	566,765
Net Operating Results	$ 12,237	$ 10,262	$ 22,499	$ 34,321
Statement of Changes in Financial Position				
Cash and Cash Equivalents, Beginning of Year	$ 2,054	$ 284,085	$ 286,139	$ 221,691
Cash Provided from Operating Transactions	28,555	40,971	69,526	92,127
Cash Generated (Used) by Organizational Transactions	(24,048)	(89,139)	(113,187)	(27,679)
Cash and Cash Equivalents, End of Year	$ 6,561	$ 235,917	$ 242,478	$ 286,139
Salary and Benefits of President Positions				
Base Salary	$ 294	$ 245		
Other Cash Benefits (2)	101	346		
Non-Cash Benefits (3)	137	281		
	$ 532	$ 872		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Other Cash Benefits include housing allowances, relocation benefits and lump sum payments.

(3) Non-Cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) The prior year amounts were restated due to an accounting policy change in SAIT financial statements.

Comprehensive Community Institutions

Summary Financial Statements (1)

for June 30, 2012 *(in thousands)*

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Statement of Financial Position							
Current Assets	$ 57,527	$ 13,011	$ 44,630	$ 21,964	$ 21,327	$ 21,503	$ 39,918
Long-Term Assets	320,558	96,778	115,309	92,018	111,282	93,610	37,117
	$ 378,085	$ 109,789	$ 159,939	$ 113,982	$ 132,609	$ 115,113	$ 77,035
Current Liabilities	$ 32,067	$ 13,206	$ 21,594	$ 9,688	$ 14,307	$ 7,403	$ 15,394
Long-Term Liabilities	264,353	65,273	99,666	66,388	72,134	64,805	28,810
	296,420	78,479	121,260	76,076	86,441	72,208	44,204
Net Assets	81,665	31,310	38,679	37,906	46,168	42,905	32,831
	$ 378,085	$ 109,789	$ 159,939	$ 113,982	$ 132,609	$ 115,113	$ 77,035
Statement of Operations							
Revenue	$ 80,266	$ 71,529	$ 76,365	$ 65,282	$ 82,393	$ 55,651	$ 77,535
Expenses	73,182	71,810	75,032	62,947	78,932	53,269	73,230
Net Operating Results	$ 7,084	$ (281)	$ 1,333	$ 2,335	$ 3,461	$ 2,382	$ 4,305
Statement of Changes in Financial Position							
Cash and Cash Equivalents, Beginning of Year	$ 1,050	$ 7,718	$ 14,989	$ 8,244	$ 9,575	$ 17,817	$ 21,742
Cash Provided from (Used in) Operating Transactions	(6,169)	4,043	7,560	4,931	6,047	4,708	8,819
Cash Generated (Used) by Organizational Transactions	4,195	(1,156)	13,719	(1,435)	1,952	(3,088)	164
Cash and Cash Equivalents, End of Year	$ (924)	$ 10,605	$ 36,268	$ 11,740	$ 17,574	$ 19,437	$ 30,725
Salary and Benefits of President Positions							
Base Salary	$ 217	$ 284	$ 222	$ 251	$ 275	$ 201	$ 258
Other Cash Benefits (2)	69	26	79	—	13	—	50
Non-Cash Benefits (3)	10	—	59	323	82	111	21
	$ 296	$ 310	$ 360	$ 574	$ 370	$ 312	$ 329

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Other Cash Benefits include housing allowances, relocation benefits and lump sum payments.

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) The prior year amounts were restated due to the transfer of academic programs and operations in northwest Alberta and the transfer of administrative responsibilities between various colleges.

Comprehensive Community Institutions (continued)

Summary Financial Statements (1)

for June 30, 2012 *(in thousands)*

	Northern Lakes College (4)	Olds College	Portage College	Red Deer College	2012 Totals	2011 Totals (4) (Restated)
Statement of Financial Position						
Current Assets	$ 14,445	$ 5,269	$ 9,232	$ 7,645	$ 256,471	$ 201,330
Long-Term Assets	36,505	97,851	63,480	175,817	1,240,325	1,221,982
	$ 50,950	$ 103,120	$ 72,712	$ 183,462	$ 1,496,796	$ 1,423,312
Current Liabilities	$ 6,111	$ 14,239	$ 4,715	$ 33,721	$ 172,445	$ 161,504
Long-Term Liabilities	28,851	65,345	53,676	106,500	915,801	883,620
	34,962	79,584	58,391	140,221	1,088,246	1,045,124
Net Assets	15,988	23,536	14,321	43,241	408,550	378,188
	$ 50,950	$ 103,120	$ 72,712	$ 183,462	$ 1,496,796	$ 1,423,312
Statement of Operations						
Revenue	$ 39,925	$ 53,698	$ 34,522	$ 92,126	$ 729,292	$ 729,469
Expenses	40,084	53,381	32,891	89,253	704,011	707,367
Net Income	$ (159)	$ 317	$ 1,631	$ 2,873	$ 25,281	$ 22,102
Statement of Changes in Financial Position						
Cash and Cash Equivalents, Beginning of Year	$ 4,669	$ 5,560	$ 3,007	$ 3,066	$ 97,437	$ 110,238
Cash Provided from (Used in) Operating Transactions	1,404	(12)	5,085	10,220	46,636	113,395
Cash Generated (Used) by Organizational Transactions	(305)	(4,326)	(1,195)	(12,874)	(4,349)	(126,196)
Cash and Cash Equivalents, End of Year	$ 5,768	$ 1,222	$ 6,897	$ 412	$ 139,724	$ 97,437
Salary and Benefits of President Positions						
Base Salary	$ 168	$ 202	$ 178	$ 241		
Other Cash Benefits (2)	44	76	—	13		
Non-Cash Benefits (3)	23	74	31	28		
	$ 235	$ 352	$ 209	$ 282		

(1) Financial statements for these entities are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for these entities are available on their websites.

(2) Other Cash Benefits include housing allowances, relocation benefits and lump sum payments.

(3) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

(4) The prior year amounts were restated due to the transfer of academic programs and operations in northwest Alberta and the transfer of administrative responsibilities between various colleges.

Specialized Arts and Culture Institutions

Summary Financial Statements

	for June 30, 2012 (1)		for March 31, 2013 (2)		*(in thousands)*
	Alberta College of Art + Design		The Banff Centre		
	2012	2011	2013	2012	
Statement of Financial Position					
Current Assets	$ 10,656	$ 11,299	$ 11,583	$ 8,038	
Long-Term Assets	10,777	10,267	176,120	170,454	
	$ 21,433	$ 21,566	$ 187,703	$ 178,492	
Current Liabilities	$ 3,075	$ 6,191	$ 12,443	$ 10,426	
Long-Term Liabilities	8,938	6,481	132,921	131,931	
	12,013	12,672	145,364	142,357	
Net Assets	9,420	8,894	42,339	36,135	
	$ 21,433	$ 21,566	$ 187,703	$ 178,492	
Statement of Operations					
Revenue	$ 21,428	$ 21,507	$ 57,854	$ 57,755	
Expenses	21,043	20,962	56,657	57,447	
Net Operating Results	$ 385	$ 545	$ 1,197	$ 308	
Statement of Changes in Financial Position					
Cash and Cash Equivalents, Beginning of Year	$ 9,281	$ 9,418	$ 594	$ 319	
Cash Provided from (Used in) Operating Transactions	(341)	609	5,962	577	
Cash Generated (Used) by Organizational Transactions	230	(746)	(6,035)	(302)	
Cash and Cash Equivalents, End of Year	$ 9,170	$ 9,281	$ 521	$ 594	
Salary and Benefits of President Positions					
Base Salary	$ 238		$ 312		
Other Cash Benefits (3)	—		—		
Non-Cash Benefits (4)	38		108		
	$ 276		$ 420		

(1) Financial statements for this entity are prepared using Generally Accepted Accounting Principles for not-for-profit organizations. Full financial statements for this entity are available on its website.

(2) Commencing April 1, 2012, The Banff Centre adopted Canadian Public Sector Accounting Standards (PSAS) as issued by the Public Sector Accounting Board, including the PS 4200 series of standards for government not-for-profit organizations, to prepare their financial statements. In accordance with PSA Handbook Section 2125 (First-time Adoption), the date of transition to PSAS is April 1, 2011. Therefore the adoption of PSAS has been applied retroactively from the date of transition resulting in the restatement of prior year amounts. Full audited financial statements for this entity are available on its website.

(3) Other Cash Benefits include housing allowances, relocation benefits and lump sum payments.

(4) Non-cash Benefits include the employer portions of such items as pension contributions, medical and dental benefits, disability insurance, etc.

Other Information

Unaudited Information

Endnotes

Statement of Remissions, Compromises and Write-offs

Statement of Guarantees and Indemnities

Contact Information

Endnotes

Endnote A Post-Secondary Graduate Outcomes Survey

The Post-Secondary Graduate Outcomes Survey is conducted every other year. Graduates of publicly funded post-secondary institutions are surveyed two years after graduation. The most recent survey was conducted January to April 2012 by an independent third-party contractor.

The survey population was provided to the contractor from an internal source. Graduates were surveyed by telephone and Internet about their employment outcomes upon graduating, further studies undertaken, and satisfaction with the overall quality of their educational experience. Interviews were conducted with 12,891 graduates from parchment programs at 25 Alberta publicly funded post-secondary institutions. A census approach was used, meaning that all graduates were invited to participate rather than a random sample. Margin of error refers to the measurable sampling error that occurs when a random sample is used to estimate results of a population, and is not applicable to a census. If the same number of interviews had been completed using a random sample of graduates rather than a census, the margin of error would be ±0.8 percentage points, 19 times out of 20, which is comparable with previous survey cycles.

Satisfaction questions are based on a four-point scale. Satisfaction rates are the combined results of the responses "satisfied" and "very satisfied." The percentage result is calculated by dividing the total "satisfied" and "very satisfied" responses by the total number of survey respondents, not including respondents who answered "don't know" or "no response."

The complete survey report is available on the Ministry's Facts and Stats webpage.

Endnote B Use of Confidence Intervals for Interpreting Survey Results

When a result is obtained by surveying a random sample of the target population (e.g. the public, graduates), there is a confidence interval associated with the result, which is expressed as a percentage above and below the result (e.g. ±2.5%). A confidence interval indicates how much variation one might expect from the survey result as a consequence of sampling and diversity among respondents. This makes it possible to determine whether differences in survey results over time are likely the result of sampling variations (differences falling within the confidence interval or "margin of error"), or represent actual change.

When comparing results of survey questions over time or among respondent groups, if there is no overlap between the confidence intervals of the two observed values, then the difference between the two results is considered to be real 19 times out of 20. When the confidence intervals of the two observed values do overlap, the difference is attributable to sampling variation, and the difference cannot be considered real.

The following hypothetical examples illustrate:

a) *two survey results where the confidence intervals overlap: no real difference in results*

   Where two survey results are 76% and 80%, both with a confidence interval of 2.5%, then the upper limit of the confidence interval for the 76% result is 78.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals overlap, it cannot be concluded that there is a real difference between the two survey results, as the observed difference could be due to sampling variation.

b) *two survey results where the confidence intervals do not overlap: a real difference in results*

   If the two survey results are 74% (with a confidence interval of 2.5%) and 80% (also with a confidence interval of 2.5%), the upper limit of the confidence interval for the 74% result is 76.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals do not overlap, it can be concluded that there is a real difference between the two survey results, as sampling variation alone does not account for the observed difference.

Endnote C

Survey of Apprenticeship Graduates

The Survey of Apprenticeship Graduates is conducted every other year. Field work was conducted October-December 2012. The survey population was provided to the contractor from the Apprenticeship Trade and Occupation Management System (ATOMS). Interviews were conducted with 4,073 apprentices who had graduated between August 1, 2011 and July 31, 2012.

Respondents were contacted initially by phone or email and given an option to complete the survey online. Graduates commented on the program they completed, typically a 4-year program.

Satisfaction questions are based on a four-point scale. Satisfaction rates combine the "somewhat satisfied" and "very satisfied" results. The percentage result is calculated by dividing the total of "somewhat satisfied" and "very satisfied" responses by the total number of survey respondents, including respondents who answered "don't know."

The confidence interval by cohort is as follows:

Cohort	Population	Completed Interviews	Confidence Interval
1. Graduates who attended technical training and completed on-the-job training requirements of their trade in the 2011-12 school year	3,824	2,184	±1.4%
2. Graduates who completed their apprenticeship program in the 2011-12 school year, but did not attend technical training in that year	3,632	1,889	±1.6%
Total	7,456	4,073	±1.0%

Endnote D

International Visa Students Registered at Alberta Post-Secondary Institutions

The total number of international students has been defined as the total unduplicated headcount of students who require a visa to study in Canada and are physically attending a publicly funded post-secondary institution in Alberta at some point during the academic year. International students attending outside of Canada do not require visas, and are therefore not included in this measure. Additionally, Athabasca University is not a campus-based institution, and as such, Athabasca University enrolments have not been included since all students are taking online courses.

Data for this measure are provided by institutions and stored in the Learner Enrolment Reporting System (LERS). The Banff Centre is not included in this measure as their enrolments are not reported via LERS. See Endnote E for more information on LERS.

Endnote E

Learner Enrolment Reporting System

The Learner and Enrolment Reporting System (LERS) is a database used by the Ministry to track learner demographics and enrolments in the post-secondary learning system. Publicly funded post-secondary institutions submit their enrolment data to the Ministry. These data are subject to a host of accountability constraints and are signed off by institutional and Ministry officials once verified. Data for Alberta's publicly funded institutions are reported in LERS for the academic year (May to April for comprehensive academic and research institutions and independent academic institutions; July to June for the Alberta College of Art and Design, baccalaureate and applied studies institutions, polytechnical institutions, and comprehensive community institutions). Finalized data are available in the fall for the previous academic year. The Banff Centre does not report enrolments via LERS.

Endnote F

Total Sponsored Research Revenue Attracted by Alberta's Comprehensive Academic and Research Institutions

This performance measure reflects the amount of sponsored research at the four Comprehensive Academic and Research Institutions (CARIs). The main funding sources include the provincial and federal governments, industry and non-profit organizations. Total sponsored research revenue is funding received outside of the CARIs' base operating grants and is comprised of research grants, research contracts, and research-related capital investments. This performance measure reflects the research capability, capacity, and competitive standing of Alberta through the success of its research universities in attracting sponsored research funding from several sources.

Sponsored research revenue data are collected directly from the CARIs, which submit the data using a template and guidelines outlining the information required and specific instructions regarding how the revenue should be reported. The guidelines that Enterprise and Advanced Education provides to the CARIs require that the data collection process is consistent with the more detailed Canadian Association of University Business Officers (CAUBO) guidelines. Thus, the CARIs are required to follow the CAUBO reporting guidelines for the appropriate year. The adherence to CAUBO guidelines improves the quality and comparability of the data across jurisdictions. The CARIs derive the data from audited financial statements and supplementary schedules. The reported data are compiled and analyzed by Enterprise and Advanced Education in the report, *Research Funding at Alberta's Comprehensive Academic and Research Institutions*.

Endnote G

Percentage of Graduate Students Studying in Priority Areas

The proportion of graduate students studying in priority areas of energy, life sciences, nanotechnology, and information and communications technology helps show if the province has people with the right skills and knowledge to drive and diversify Alberta's economy.

Programs listed at the graduate level are reviewed as to whether a specialization falls within a given priority area using their 4-digit CIP (Classification of Instructional Programming) code as the primary indicator.

Data for this measure are provided by institutions and stored in the Learner Enrolment Reporting System (LERS). The Banff Centre is not included in this measure as their enrolments are not reported via LERS. See Endnote E for information on LERS.

Endnote H

Percentage of Canadian Venture Capital Invested in Alberta

Data on Canadian venture capital comes from the VCReporter™ system provided by Thomson Financial, available at **www.canadavc.com**. VCReporter™ is a dynamic database, allowing existing data to be continuously updated: data can be added at a later date, providing more accurate picture of a given period. Data for 2012 were retrieved from VCReporter™ on February 211, 2013 to calculate the percentage of Canadian venture capital funds invested in Alberta's knowledge-intensive industries.

The following parameters are used consistently each year so that results are comparable year to year:

- Date: Q1, Q2, Q3, and Q4 of the calendar year in question.
- New vs. Follow-on: All
- Sector: Life Sciences, IT, and Other Technologies, including all subsectors within each.
- Stage: All Early Stages (Seed, Startup, and Other Early Stages) and only Expansion in the Later Stages group.
- Data is not collected for all other later stage deals. (i.e. Acquisition/Buyout, Turnaround, and Other Stage)
- Deal Size Range: All
- Investor Type: All

Note: "Canadian Venture Capital" in this measure includes foreign investments. It expresses venture capital investment in Alberta as percentage of all venture capital investment in Canada.

Endnote I

Proportion of Albertans Aged 18-34 Participating in Post-Secondary Education

This measure is produced as a special tabulation for Enterprise and Advanced Education by Statistics Canada based on data collected in the Labour Force Survey.

Statistics Canada's Labour Force Survey (LFS) is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. Data are collected on all members of the household who are 15 years of age or older. Persons living on Indian Reserves, inmates of institutions, and full-time members of the Canadian Armed Forces are excluded from the survey.

The Canadian sample size for the monthly Labour Force Survey was 56,026 households over the reporting period. Alberta's sample size corresponds to its share of the national population. An average of 5,585 Alberta households were surveyed each month.

The coefficient of variation (the standard error as a percentage of the reported result) for the estimate (Albertans 18-34 participating in post-secondary education: 166,800) is 2.5%.

Additional information on the Labour Force Survey methodology is available online in the *2012 Guide to the Labour Force Survey* (Catalogue no. 71-543-G).

Endnote J

Proportion of Albertans Aged 25-64 Who Have Completed Post-Secondary Education

For the purposes of this indicator, post-secondary credentials include certificates and diplomas (university, vocational, trade, community college) and university degrees. The percentage is calculated by dividing the number of people in the age range with a post-secondary certificate or diploma or university degree by the total number of Albertans in the same age range.

Data for this measure come from Statistics Canada's Labour Force Survey. The Labour Force Survey is a monthly household survey of a sample of individuals who are representative of the civilian, non-institutionalized population 15 years of age or older. It is conducted nationwide, in both the provinces and the territories. Excluded from the survey's coverage are: persons living on reserves and other Aboriginal settlements in the provinces; full-time members of the Canadian Forces and the institutionalized population. These groups together represent an exclusion of approximately 2% of the population aged 15 and over.

The coefficient of variation (the standard error as a percentage of the reported result) for the estimate (Albertans 25-64 having completed a post-secondary credential: 1,329,100) is 1.0%.

Additional information on the Labour Force Survey methodology is available online in the *2012 Guide to the Labour Force Survey* (Catalogue no. 71-543-G).

Endnote K

Public Satisfaction Survey

Enterprise and Advanced Education collaborates with Education to commission an annual telephone survey of the Alberta public. The survey assesses public satisfaction with key areas of the education system. A professional survey research firm is contracted to conduct the survey, compile results and provide them to the ministries. Results were provided in the *Survey Summary Report, Public/Adult Learners/Adult Non-Learner Survey, April 2013*.

The survey instrument uses a four-point response scale: "very satisfied" / "satisfied" / "dissatisfied" / "very dissatisfied." Results presented are the combined percentages of respondents who were very satisfied/satisfied.

The population for this survey was the Alberta public, and the survey sample was obtained using a random listed sample for Alberta by census subdivision. There were 800 public respondents for this survey, and results for this survey are accurate to within ±3.5% in the "worst-case scenario" (i.e., results measuring proportions of 50%) at the 95% confidence level. For more information on confidence intervals (or "margin of error"), see Endnote B.

Endnote L

High School Student Survey

Enterprise and Advanced Education collaborates with Education to commission an annual telephone survey of high school students. The survey assesses students' satisfaction with various aspects of the education provided at their school as well as with the education system as a whole. A professional survey research firm is contracted to conduct the survey, compile results and provide them to the ministries. Results were provided in the *Survey Summary Report, High School Student Survey, April 2013*.

The survey instrument uses a four-point response scale: "strongly agree" / "agree" / "disagree" / "strongly disagree." Results presented are the combined percentages of respondents who strongly agree/agree.

The population for this survey was Alberta high school students in grades 10, 11, and 12, and Alberta Education provided the survey company a random sample stratified by geographic location. The sample size for the survey was 800 high school students, and results for this survey are accurate to within ±3.5% in the "worst-case scenario" (i.e., results measuring proportions of 50%) at the 95% confidence level. For more information on confidence intervals (or "margin of error"), see Endnote B.

Endnote M

Manufacturing and Business Service Industry Gross Domestic Product (GDP)

The information for this performance measure is taken from the GDP by Industry table, published by Statistics Canada.

GDP figures for eight industries are combined in this performance measure: manufacturing; information and cultural industries; professional, scientific and technical services; transportation and warehousing; arts, entertainment and recreation; accommodation and food services; finance and insurance; and administrative and support, waste management and remediation services.

GDP is the total market value of all goods and services produced during a given year. GDP is also referred to as economic output. To avoid counting the same output more than once, GDP includes only final goods and services – not those that are used to make another product. For this performance measure, GDP is measured in real dollars. Real GDP is a measure of the volume of production. To measure this concept, GDP expenditure-based components are adjusted to eliminate the effect of price change. This process is known as deflation.

Note: Results for this measure were previously expressed in 2002 constant dollars; however, Statistics Canada has generated GDP estimates for 2012 in 2007 constant dollars. Therefore, the current result is expressed in 2007 constant dollars and all previous years' results are restated here in 2007 constant dollars. The published target for 2012 was expressed in 2002 constant dollars, making the dollar values in the 2012 target and the 2012 result incomparable. Nonetheless, the percentage change expressed in the target is still comparable to the percentage change in the current result.

Endnote N

Interprovincial Rank of Alberta's Labour Force Participation Rate

In this performance measure, the rate for Alberta is compared to the other nine Canadian provinces. The inter-provincial ranking is reported to assess how Alberta compares to the other provinces across the Canada.

Statistics Canada's Labour Force Survey (LFS) is the primary source of statistics on employment and unemployment in Canada and the provinces. The LFS provides information on the work activities of the respondents during the week containing the 15th day of the month known as the reference week.

Statistics Canada's Labour Force Survey (LFS) is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. Data are collected on all members of the household who are 15 years of age or older. Persons living on Indian Reserves, inmates of institutions, and full-time members of the Canadian Armed Forces are excluded from the survey.

The Canadian sample size for the monthly Labour Force Survey was 56,026 households over the reporting period. Alberta's sample size corresponds to its share of the national population. An average of 5,585 Alberta households were surveyed each month.

The coefficient of variation (the standard error as a percentage of the reported result) for the estimate (Albertans in the labour force: 2,253,500) is 1.0%.

Additional information on the Labour Force Survey methodology is available online in the *2012 Guide to the Labour Force Survey* (Catalogue no. 71-543-G).

Endnote O

Interprovincial Rank of Alberta's First Nations, Métis and Inuit Off-Reserve Labour Force Participation Rate

In this performance measure, the rate for Alberta is compared to the other nine Canadian provinces. The inter-provincial ranking is reported to assess how Alberta compares to the other provinces across the Canada.

Statistics Canada's Labour Force Survey (LFS) is the primary source of statistics on employment and unemployment in Canada and the provinces. The LFS provides information on the work activities of the respondents during the week containing the 15th day of the month known as the reference week.

The LFS includes a question asking if the respondent is a member of the Aboriginal Population. The First Nations, Métis and Inuit labour force (off-reserve) represents the number of people in the working age population that are either employed or actively seeking employment (unemployed). This is calculated as a 12-month average for the calendar year.

Statistics Canada's Labour Force Survey (LFS) is a monthly, Canada-wide survey of a representative sample of households in the provinces and territories. Data are collected on all members of the household who are 15 years of age or older. Persons living on Indian Reserves, inmates of institutions, and full-time members of the Canadian Armed Forces are excluded from the survey.

The Canadian sample size for the monthly Labour Force Survey was 56,026 households over the reporting period. Alberta's sample size corresponds to its share of the national population. An average of 5,585 Alberta households were surveyed each month.

The coefficient of variation (the standard error as a percentage of the reported result) for the estimate (off-reserve FMNI in labour force: 88,700) is 2.5%.

Additional information on the Labour Force Survey methodology is available online in the *2012 Guide to the Labour Force Survey* (Catalogue no. 71-543-G).

Note: Alberta's ranking in 2009 changed from 3rd place to a tie with New Brunswick for 2nd place when results were revised by Statistics Canada. (New Brunswick's result was revised from 70.7% to 69.9%; Alberta's result was revised from 69.8% to 69.9%.) To remain consistent with Government of Alberta reporting of this historical result, we are reporting the original ranking with the revised percentage: 3rd place and 69.9%.

Statement of Remissions, Compromises and Write-offs

for the year ended March 31, 2013 *(in thousands)*

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

Remissions under Section 21 of the *Financial Administration Act*	$ 53,765
Compromises under Section 22 of the *Financial Administration Act*	11
Write-offs – Implemented Guarantees, Indemnities, Loans and Advances – Section 20 of the *Student Financial Assistance Act*	1,077
Total remissions, compromises and write-offs	$ 54,853

Statement of Guarantees and Indemnities given by the Crown and Provincial Corporations

for the year ended March 31, 2013 *(in thousands)*

The following has been prepared pursuant to Section 75 of the *Financial Administration Act*. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Enterprise and Advanced Education under the *Student Loan Act* for the year ended March 31, 2013, the amounts paid to financial institutions as a result of the guaranteed loan program, and the amounts recovered on debts owing as a result of payments under guarantees.

	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	$ —	$ 44	$ 541

Contact Information

Advanced Education and Technology	eae.alberta.ca
Entities	
Access to the Future Fund	eae.alberta.ca/post-secondary/funding/supportsinstitutions/aff.aspx
Alberta Enterprise Corporation	alberta-enterprise.ca
Alberta Innovates – Bio Solutions	bio.albertainnovates.ca
Alberta Innovates – Energy and Environment Solutions	ai-ees.ca
Alberta Innovates – Health Solutions	aihealthsolutions.ca
Alberta Innovates – Technology Futures	albertatechfutures.ca
Advisory Boards, Councils and Authorities	
Access Advisory Council	eae.alberta.ca/ministry/agencies/caadvisory/aac.aspx
Alberta Apprenticeship and Industry Training Board	tradesecrets.gov.ab.ca
Alberta Council on Admissions and Transfer	acat.gov.ab.ca
Alberta Research and Innovation Authority	aria.albertainnovates.ca
Campus Alberta Quality Council	caqc.gov.ab.ca
Students Finance Board	eae.alberta.ca/ministry/agencies/caadvisory/sfb.aspx
Publicly Funded Post-Secondary Institutions	
Comprehensive Academic and Research Institutions	
University of Alberta	ualberta.ca
University of Calgary	ucalgary.ca
University of Lethbridge	uleth.ca
Athabasca University	athabascau.ca
Baccalaureate and Applied Studies Institutions	
Grant MacEwan University	macewan.ca
Mount Royal University	mtroyal.ca
Polytechnical Institutions	
Northern Alberta Institute of Technology	nait.ca
Southern Alberta Institute of Technology	sait.ca
Comprehensive Community Institutions	
Bow Valley College	bowvalleycollege.ca
Grande Prairie Regional College	gprc.ab.ca
Keyano College	keyano.ca
Lakeland College	lakelandcollege.ca
Lethbridge College	lethbridgecollege.ca
Medicine Hat College	mhc.ab.ca
NorQuest College	norquest.ab.ca
Northern Lakes College	northernlakescollege.ca
Olds College	oldscollege.ca
Portage College	portagecollege.ca
Red Deer College	rdc.ab.ca
Specialized Arts and Culture Institutions	
Alberta College of Art + Design	acad.ab.ca
The Banff Centre	banffcentre.ca
Independent Academic Institutions	
Ambrose University College	ambrose.edu
Canadian University College	cauc.ca
Concordia University College	concordia.ab.ca
St. Mary's University College	stmu.ab.ca
The King's University College	kingsu.ca

Publicly Funded Post-Secondary Institutions

Main Campuses

Fort McMurray
- Keyano College

Grouard
- Northern Lakes College

Slave Lake

Grande Prairie
- Grande Prairie Regional College

Lac La Biche
- Portage College

Athabasca
- Athabasca University

Edmonton
- University of Alberta
- Grant MacEwan University
- Northern Alberta Institute of Technology
- NorQuest College
- Concordia University College
- The King's University College

Vermilion
- Lakeland College

Lacombe
- Canadian University College

Red Deer
- Red Deer College

Olds
- Olds College

Banff
- The Banff Centre

Calgary
- University of Calgary
- Mount Royal University
- Southern Alberta Institute of Technology
- Bow Valley College
- Alberta College of Art + Design
- Ambrose University College
- St. Mary's University College

Medicine Hat
- Medicine Hat College

Lethbridge
- University of Lethbridge
- Lethbridge College

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